

**SPORTS**  
**MONDAY**

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Monday, January 18, 1999

No. 36,041

**TODAY**  
**HEALTH**  
**SCIENCE**  
A Human Psychology Page 9

## Yeltsin Is Ill Again Amid Concern He Can't Rule

**President Is Rushed To Hospital With Ulcer; His Rivals Speak Out**

By David Hoffman  
Washington Post Service

MOSCOW — President Boris Yeltsin was taken to a hospital on Sunday suffering from what doctors described as an acute bleeding ulcer.

This announcement raised urgent questions again as to whether Russia was headed for early presidential elections this year because of the leader's faltering health.

Although the president's term runs until next year, Mr. Yeltsin's bouts of illness have grown more frequent since he underwent quintuple coronary artery bypass surgery two years ago.

His political opponents reacted to the latest news by questioning whether he could continue to serve.

Mr. Yeltsin has not gone to his Kremlin office so far this year. He skipped meetings planned for Thursday and Friday, remaining in seclusion at a residence outside Moscow.

His spokesman, Dmitri Yakushkin, insisted that Mr. Yeltsin felt fine on Friday and late Saturday.

But on Sunday night the Kremlin announced that Mr. Yeltsin had been taken to the Central Clinical Hospital after complaining that he felt unwell.

Mr. Yakushkin said Mr. Yeltsin transferred none of his powers to Prime Minister Yevgeni Primakov, and that the president had a cheerful voice when Mr. Yakushkin spoke with him by telephone.

The spokesman said Mr. Yeltsin was in a good mood but disappointed to have to begin 1999 sidelined by illness. He insisted Mr. Yeltsin's condition was stable.

President Yeltsin, who is 67, has weathered heart attacks, respiratory diseases and, by some accounts, he has been suffering in the last year with recurring periods of disorientation.

But the latest announcement marked the first time he was diagnosed as suffering from a stomach ulcer.

Few details were available but doctors said a test performed Sunday at the hospital confirmed the bleeding-ulcer diagnosis. The test generally involves inserting a fiber-optic tube into the stomach to examine possible sites of bleeding.

A stomach ulcer is a raw spot that develops in the lining. Bleeding from such an ulcer is not common but can be dangerous when it occurs, particularly in the elderly.

A sudden, severe hemorrhage can cause shock. Less severe bleeding, if it continues undetected for several months, can cause anemia.

It is known that majority of ulcers are caused by the action of a bacterium, *Helicobacter pylori*, which can be treated by antibiotics, although some ulcers occur exclusively because of overuse of medicines containing aspirin or ibuprofen-like compounds.

See YELTSIN, Page 4



A child clinging to an ethnic Albanian man Sunday as they viewed the bodies of Racak villagers found massacred in a ditch in southern Kosovo.

## NATO Holds Urgent Session After Massacre in Kosovo

By William Drozdiak  
Washington Post Service

BERLIN — Faced with a resurgence of civil war in Kosovo, the NATO allies struggled Sunday to devise a new strategy to prevent the volatile conflict in Serbia's southern province from spiraling out of control in the aftermath of the worst massacre since fighting erupted there 11 months ago.

NATO ambassadors met Sunday in emergency session at alliance headquarters in Brussels to decide how to respond to the massacre Friday of 45 ethnic Albanians by Serbian security

The United States and the EU voice their outrage. Page 4.

forces, who operate under the orders of the Yugoslav president, Slobodan Milosevic. But with Western governments wary of approving direct military intervention that could embroil them in another Balkan war, they abstained from any substantive action that could forestall the violence.

The ambassadors were expected to send NATO's chief military commander, General Wesley Clark, to Belgrade to warn Mr. Milosevic that Western governments were losing patience. But in the absence of any serious possibility of early air strikes by the Western alliance, it seemed unlikely that the American general's mission would produce any dramatic change in behavior by Serbian security forces.

The massacre came after weeks of escalating military confrontations between Serbian security forces and Kosovo Liberation Army guerrillas, who claim to be fighting for their in-

dependence. A U.S. envoy, Christopher Hill, has been laboring without success for the past three months to broker a deal that would grant the ethnic Albanians, who comprise 90 percent of the population of Kosovo, substantial political autonomy if the rebels abandon their armed crusade.

The North Atlantic Treaty Organization suspended its threat of air strikes against Yugoslav military targets in October following an 11-hour peace deal cut by the Richard Holbrooke, the American envoy. The so-called "activation order" that authorized NATO military commanders to launch bombing strikes has never been lifted, but NATO officials say any decision to proceed with bombing raids would not be made lightly.

At the time, Mr. Milosevic agreed to drastically reduce the presence of Serbian security forces in the province and open serious talks on power-sharing arrangements with the Kosovar ethnic Al-

banian leadership. But truce violations have been mounting in recent weeks as both sides appear to be gearing up for renewed warfare.

Mr. Milosevic has spurned earlier promises that were central to the cease-fire arrangements by redeploying army and special police units in Kosovo that were supposed to be withdrawn. He has also defied the Western alliance by re-equipping Serbian forces with armor and heavy weapons in order to conduct military sweeps against KLA guerrillas.

NATO diplomats acknowledged Mr. Milosevic may have been emboldened by the recent preoccupation in Western capitals with the Iraq crisis and the impeachment proceedings against President Bill Clinton. They also noted that Mr. Milosevic may have felt compelled to shore up his standing with his own military leadership by ordering a harsh response against recent KLA attacks.

See KOSOVO, Page 4

## A Trans-Atlantic Deal To Form Wireless Giant

### Vodafone Wins AirTouch for \$60 Billion

Compiled by Our Staff From Dispatches

LONDON — The combination of Vodafone Group and AirTouch Communications Inc. would create the world's largest wireless communications company, with a presence in most major cellular-phone markets and the economies of scale to exploit them, company executives said Sunday.

Vodafone, Britain's largest mobile phone company, edged out Bell Atlantic Corp. in a bidding war for the nation's largest wireless company, the companies confirmed Friday night.

The deal calls for Vodafone to pay a combination of cash, stock and assumed debt that values AirTouch at \$60 billion. Bell Atlantic, which had reportedly bid about \$45 billion, pulled out of merger talks with AirTouch when faced with Vodafone's higher offer.

The combined entity, to be known as Vodafone AirTouch PLC, is being formed in the largest cross-border acquisition to date, ahead of British Petroleum's \$55 billion purchase of Amoco Inc.

Vodafone AirTouch would have a combined market value of about \$110 billion and more than 23 million customers around the world.

The chairman of AirTouch, Sam Ginn, is expected to be named non-executive chairman of the new company. Chris Geot, chief executive of Vodafone, will remain in that post. The company will be based in Newbury, England, with U.S. operations in San Francisco.

Vodafone said Sunday the combination would generate £200 million (about \$330 million) a year in savings after taxes by 2002.

"Vodafone AirTouch will have the size and financial resources to take advantage of future opportunities," Mr. Ginn said.

Vodafone was to hold a news conference in London on Monday to present the details of the deal.

(Reuters, Bloomberg)

■ Dominance in Europe

Laura M. Holson of The New York Times reported earlier from New York:

If approved by shareholders and regulators, the combination of AirTouch and Vodafone will create an international powerhouse that would dominate throughout Europe. Vodafone's cus-

See AIRTOUCH, Page 13

## Hyde Provides an Oratorical Finale

**Republican Sums Up Case Against Clinton**

By R.W. Apple Jr.  
New York Times Service

WASHINGTON — Summarizing the Republican case against President Bill Clinton in a speech evoking the shades of heroes past, Representative Henry Hyde, Republican of Illinois, said that the presidency could be "permanently damaged" if the Senate failed to remove Mr. Clinton from office.

"My solitary, solitary hope is that 100 years from today, people will look

Some Republican senators wooing moderates back home. Page 3.

back at what we have done and say, 'They kept the faith.' Mr. Hyde, the chief prosecutor, said in an emotion-drenched oration Saturday.

The argument over impeachment, Mr. Hyde said one last time, was not about sex but about "the rule of law" — "one of the great achievements of our civilization."

He accused Mr. Clinton of fraying the essential bonds of trust between those who govern the United States and those

who are governed. And he asserted that having "a presidential perjurer" in the White House meant that "America can no longer be trusted" in the world's councils.

"Your judgment should rise above politics, above partisanship, above polling data," Mr. Hyde told the Senate. "This case is a test of whether what the Founding Fathers described as 'sacred honor' still has meaning in our time."

Next, it will be Mr. Clinton's turn to make his case through his lawyers, starting on Tuesday, hours before his State of the Union address.

Representative Charles Canady, Republican of Florida, brought the Republican case to a crescendo Saturday morning with the declaration that the president must be removed because he had "made himself a notorious example of lawlessness."

Opening the last of three days of the Republican presentation of the impeachment case against the president, Mr. Canady, like Mr. Clinton a graduate of Yale Law School, also argued that the Senate could not set a lower standard for

See CLINTON, Page 3

## Capital Day of Rest: U.S. Senators Head For the TV Studios

U.S. senators scrambled into television studios Sunday in Washington to offer their takes on what might come next in the impeachment trial of President Bill Clinton.

At least 19 senators had scheduled appearances on various news programs, a day after the Republican "managers" of the impeachment case finished laying out their case.

Some Republicans warned that it may now be necessary to call an array of witnesses, including the president himself; Monica Lewinsky; Vernon Jordan Jr., Mr. Clinton's adviser and friend; and Betty Currie, his secretary.

Most of the Democrats were holding to their party's line that it was too early to tell whether witnesses were needed, preferring to wait until Mr. Clinton's attorneys have dealt with the two charges the president faces. Page 3.

## Berlin Merges Visions for Memorial to the Holocaust

By Roger Cohen  
New York Times Service

BERLIN — After a hiter debate over how to commemorate the Holocaust in the new capital of Berlin, agreement has been reached on a memorial that will include a vast field of stone pillars, a 20-meter high wall of books and a research center for scholars.

The accord, already approved by Chancellor Gerhard Schröder but still subject to passage by Parliament, blends long-standing proposals by the New York architect Peter Eisenman with additions intended to satisfy the new government of Social Democrats and Greens, whose initial declarations opposing a vast memorial caused an uproar last year.

Over more than a decade, the proposed monument next to the Brandenburg Gate in central Berlin has become a focus of competing visions of how best to invite reflection on Hitler's near annihilation of European Jewry. The fierce exchanges have above all reflected Germany's

search for a way to balance memory with a growing desire to look forward.

With the government and Parliament to move to Berlin this year, the vacant 2-hectare (4.9-acre) site and the lack of a plan to fill it had become an embarrassment, a hole in the heart of what Mr. Schröder has called the new "Berlin Republic."

"I told everyone involved a few weeks ago that they could generate a lot more heat if they liked, but they could certainly generate no more light," said Michael Blumenthal, a former U.S. Treasury secretary who is the head of the new Jewish Museum in Berlin.

"It was time to decide this thing."

Now, in a compromise mediated by Mr. Blumenthal and hammered out between Mr. Eisenman and Germany's top cultural official, Michael Naumann, the essence of the huge field of stone pillars to which the government had objected is to be preserved.

The number of pillars is to be reduced — to between 2,100 and 1,800 from about 2,800 — and a building added that will be called "The House of Remembrance" — consisting of an atrium and three sandstone blocks.

The building — an archive, information center and exhibition space — is to

be flanked by a thick wall 100 meters (330 feet) long that will house a million books between an exterior of patterned black steel and a glass interior.

The "Wall of Books" is intended to symbolize the concern of the Schröder government that the memorial be not merely backward-looking and symbolic but also educational and useful.

"I am absolutely positive that this new project will now be built," Mr. Naumann said. "All statements pro and con have been taken care of. This is a superb synthesis. It is not a compromise."

See MEMORIAL, Page 4

### AGENDA

#### Six More Western Tourists Are Kidnapped in Yemen

SAN'A, Yemen (AP) — Two Britons and four Dutch were kidnapped Sunday in northern Yemen, the second kidnapping in three weeks, tribal authorities said.

The British and Dutch governments confirmed the abduction of their citizens.

Leaders of the Hashid tribe said the six tourists were kidnapped near the town of Hawi, about 140 kilometers (about 85 miles) north of the capital, San'a. Gunmen stopped the tourists as they traveled in three cars along the road north of San'a toward Sada, the tribal elders said. The

demands of the kidnappers were not yet known. The elders said they believed the gunmen were tribesmen, not Islamic militants.

On Dec. 28, 16 Western tourists — 12 Britons, 2 Americans and 2 Australians — were abducted by Islamic militants. Four of the hostages were killed during a shoot-out between the captors and Yemeni security forces trying to rescue them.

Tribesmen frequently kidnap foreigners to gain economic concessions from their government. Until the shoot-out last month, the hostages had usually been released unharmed.

#### Falcons Upset the Vikings

A 38-yard overtime field goal lifted the Atlanta Falcons over the Minnesota Vikings, 30-27, in the National Football Conference championship Sunday. The Falcons face either Denver or the New York Jets in the Super Bowl on Jan. 31.

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WIDE BACKING FOR TURKISH LEADER — Bülent Ecevit, left, and his designated deputy, Hikmet Uluğbay, receiving congratulations Sunday after Mr. Ecevit easily won a confidence vote in Parliament, allowing him to take office as prime minister. Page 6.

Newsstand Prices

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Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. (Inc.)	\$ 1.20
		Zimbabwe	2m \$40.00





## Devalued Dreams / Jobs Vanish in Brazil

## Economic Engine Seizes Up for Autoworkers and Their Foreign Employers

By Larry Rohter  
New York Times Service

**S**AO BERNARDO DO CAMPO, Brazil — For 22 years and four months, Luiz Pôrto Diniz reported daily to the bustling Ford do Brasil automotive plant here, where three car models are manufactured. But then, just before Christmas, he got the bad news he had been fearing ever since Brazilian interest rates shot to nearly 30 percent four months ago: He was one of 2,800 assembly-line workers being laid off.

Employees took over the plant Jan. 5 to protest that move, so Mr. Diniz still spends his day on the plant floor, playing dominos with his fellow workers. The stoppage means that Ford is no longer producing its daily quota of 1,000 cars, but the company has not moved against the workers — perhaps because car sales are declining so dramatically in Brazil that Ford has the equivalent of nearly two months of production stockpiled in storage areas here.

"Everybody wants to work, so all they have to do is give us the word," said Valdecir Aparecido de Souza, another laid-off worker.

"But if nobody is spending any money, management is not going to take us back, and we're not going to be able to find jobs anywhere else. It's a real mess."

The financial crisis that has shaken Brazil in recent months, culminating last week in a 21 percent devaluation of the currency, the real, is first and foremost a threat to workers and their families. But for that reason, it also represents a growing danger for the hundreds of multinational companies that have flocked to Brazil and invested billions of dollars in recent years, lured by a market of 165 million people that seemed to be enjoying sustained growth and stable prices.

Though all of Brazil is reeling, the once-flourishing automobile industry centered here in the industrial suburbs south of Sao Paulo, which produced as many as 2 million vehicles a year at its peak, was hit early and particularly hard. Car sales in Brazil, the seventh-largest auto market in the world, slumped 27.5 percent last year, falling from 1.64 million to 1.19 million, with Ford registering an even larger decline, 33.8 percent.

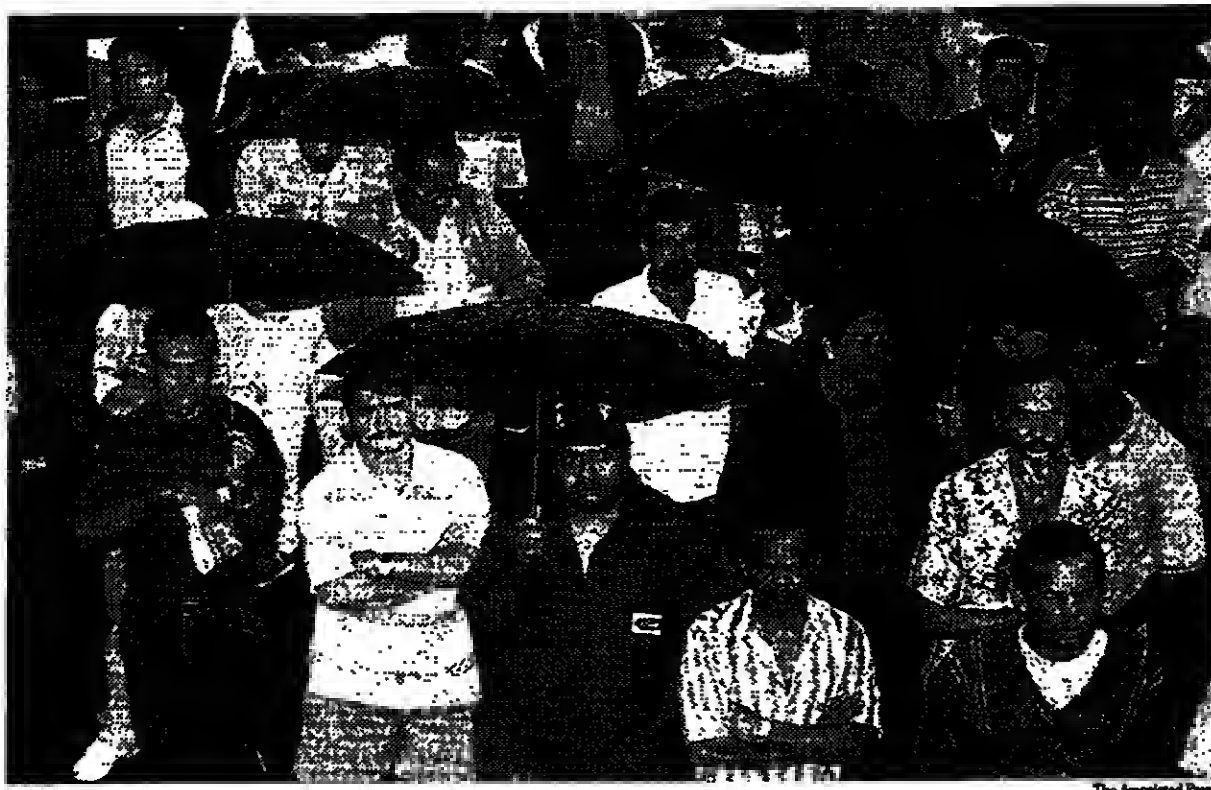
James Cain, a Ford spokesman in Detroit, said the elimination of a shift at the factory here and the resulting layoffs were driven by the conclusion that "we did not believe there would be any substantive improvement in the market in 1999."

The company lost money in Brazil in 1998, Mr. Cain said, and it indicated to Wall Street analysts at a briefing Jan. 7 that it was unlikely to earn a profit in Brazil this year either.

The automaker with the biggest operations in Brazil, Volkswagen AG, is also suffering from a sharp decline in demand, but last month it negotiated an agreement with its workers to reduce pay by 15 percent rather than cut jobs. On Friday, General Motors do Brasil reached a similar accord, offering 1,000 of its 8,700 workers for five months but continuing to pay them 80 percent of their normal salaries.

For the 275,000 Brazilian autoworkers, once considered the elite of the working class, that means hard times after years of hard-won improvements in their standard of living. "Yesterday, I was dreaming," reads the bumper sticker on a car parked outside the Ford factory here. "Today I can't even sleep."

Mr. Diniz, who is 44, married and has two children, is a typical example. Born in the mid interior of the impover-



Employees at the Ford do Brasil plant in Sao Bernardo do Campo listening to a union official as they occupy the factory in an effort to overturn plans to lay off 2,800 assembly-line workers.

ished northeastern state of Paraíba, he, like millions of other northeasterners hoping for a better life, came to Sao Paulo as a teen-ager, and by working hard and scrimping and saving, managed to buy his own house and car.

"I love Ford and think of it as family," he said as he and a group of other workers congregated at the Bar do Pascual, just outside the main gate of the plant here. "I grew up with this company, so being in this situation is enough to make me cry."

Recent years had been especially good, he and other workers said.

When the government tied the value of the currency, the real, to the dollar in 1994, it forced a level of fiscal discipline that quickly reduced inflation from more than 1,000 percent a year in the early 1990s to single digits.

"Bringing down inflation made it easier for people like us to buy food, clothing and appliances," said Adailton Coelho dos Santos, 55, who works on the same line as Mr. Diniz and also emigrated from the northeast. "For the first time in our lives, we were able to figure out what our money was worth."

As a result, millions of Brazilians could finally afford to buy televisions, refrigerators, furniture and other consumer goods, secure in the knowledge that their monthly payments would not outstrip their wages. But measures taken by the government over the past six months, especially the

dramatic interest rate increase, have driven the economy into recession and forced consumers to economize.

"We have lots of members who can no longer meet their rent or mortgage payments, let alone think about buying appliances," said Luiz Marinho, president of the metalworkers union of Sao Bernardo, which represents the autoworkers here. "We have guys who have had to postpone their weddings because they don't have a cent to spend anymore."

**F**OR AMERICAN companies, the belt-tightening by working-class Brazilians is nothing but bad news. Brazil is the 15th-largest trading partner of the United States, and in recent years it has been one of the fastest-growing markets for U.S.-made goods, ranging from equipment for heavy industry to potato chips.

U.S. banks also have a heavy exposure here. As of the middle of 1998, they had about \$16.7 billion in loans and other assets outstanding in Brazil, with Citicorp, Chase Manhattan Corp. and BankAmerica Corp. each reporting more than \$3 billion in assets here.

But the situation is especially alarming for the estimated 2,000 U.S. businesses that are operating in Brazil, the largest economy in Latin America. U.S. concerns have more than \$27 billion invested in Brazil, giving them a higher profile here than in other troubled areas such as

Russia or Southeast Asia, and weak results this year, now expected to be the general rule as a result of the economic turmoil, could affect their profit statements back home.

The sudden and dramatic downturn here raises the question of whether U.S., European and Japanese companies that have flocked here in recent years may now have too much manufacturing capacity in Brazil. Or as Pedro Reis Correa, a 39-year-old assembly-line worker, put it: "If all of us are unemployed, who is going to buy the products these companies make?"

For Christmas, in fact, Mr. Correa had planned to buy a computer, mostly for use by his two children, ages 8 and 11. He had even obtained a bargain price through a nephew who works for a computer manufacturer and saved up the down payment that would have allowed him to buy the machine on an installment plan.

But when he received the layoff notice, he had to tell the children that "this is going to have to wait for some other time," he recalled. "I am trying to cut our expenses as much as I can, and that means no more car trips to the interior on weekends or movies or candy bars for the kids."

Antonio Carlos Santos knows only too well the effects of decisions like that. For the past four years, he has parked every day outside the entrance to the Ford plant here, and from the back of his beat-up station wagon, sold items such as kitchen knives, watches, videocassettes and toys to the workers.

"My sales are down 50 percent in the past month, so of course I am very worried," he said Friday, as a constant drizzle added to his woes by driving his few potential customers indoors. "If the money of the workers here dries up, then people like me are going to go bust. This situation affects everybody."

In fact, Mr. Santos said, his family, too, has begun economizing, anticipating that the situation is going to get worse before it begins to improve.

"We're eating less meat and more rice and beans, buying cheaper brands of shampoo and soap and cutting back on our consumption of soft drinks, doing everything we can to save a penny here and there," he said.

It is not clear how the decision by the government to allow the real to float freely against the dollar will affect other companies. In theory, the long-urged devaluation should help Brazilian exports by making them cheaper, while also encouraging investment by making Brazilian companies available at bargain prices to foreign purchasers.

But economists have expressed concerns that the devaluation could set off a chain reaction across Latin America and the rest of the developing world, with country after country trying to gain a competitive advantage by lowering the value of its currency. In addition, the price of the components, raw materials and finished goods that Brazil buys will go up, fueling inflation and cutting consumer purchasing power further.

Even worse, thousands of Brazilians who purchased cars on installment plans opted for financing terms that peg their monthly payments to the exchange rate between the dollar and the real. Not only will they now have to pay substantially more each month or try to sell their vehicles before they are repossessed, but the devaluation is expected to drive many potential buyers out of the market altogether.

"When the population is frightened and stops consuming, things can only get worse," Mr. Marinho said. "That's what we are confronting right now, a moment that threatens to erase all of the gains we have made."

## TRAVEL UPDATE

## Moon Is Seen, and Ramadan Ends

**DUBAI, United Arab Emirates (AP)** — Muslims in Saudi Arabia and most other Gulf countries fasted for a last day from dawn to dusk Sunday, marking an end to the holy month of Ramadan.

The month ends with a three-day feast known as Eid al-Fitr (Arabic for "the feast of breaking the fast"), which starts Monday in Saudi Arabia, Kuwait, Bahrain, Qatar and the United Arab Emirates. In many other parts of the world, the moon was seen on Saturday night, and Eid al-Fitr began Sunday.

Ramadan ends if the crescent moon is seen on the 29th day of the month. If the moon is not sighted, the 30th day is considered the last day of fasting. No crescent moon was spotted in the skies over Saudi Arabia or the Emirates on Saturday night.

## This Week's Holidays

Banking and government offices may be closed or services curtailed in the following countries, their dependencies and other entities this week because of national and religious holidays. The end of Ramadan is fixed in some omissions and depends on the sighting of the crescent moon in others.

**MONDAY:** Bahrain, Eritrea, Ethiopia, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Tanzania, Tunisia, Turkey, United Arab Emirates, United States, Virgin Islands.

**TUESDAY:** Albania, Algeria, Bahrain, Bangladesh, Egypt, Eritrea, Ethiopia, Georgia, Indonesia, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Malaysia, Mauritania, Morocco, Nigeria, Oman, Pakistan, Palestinian Authority, Qatar, Saudi Arabia, Singapore, Sri Lanka, Sudan, Syria, Tanzania, Tunisia, Turkey, Uganda, United Arab Emirates, Uzbekistan, Yemen.

**WEDNESDAY:** Azerbaijan, Bahrain, Bangladesh, Brazil, Cape Verde, Egypt, Gambia, India, Indonesia, Jordan, Kenya, Kuwait, Lebanon, Malaysia, Morocco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, Uganda, United Arab Emirates, Uzbekistan.

**THURSDAY:** Bahrain, Bangladesh, Bosnia-Herzegovina, Israel, Kuwait, Dominican Republic, Pakistan, Saudi Arabia, Turkey, Uzbekistan.

**FRIDAY:** Bahrain, Bangladesh, Bosnia-Herzegovina, Israel, Kuwait, Oman, Saudi Arabia, Turkey.

Sources: Bloomberg, Reuters.

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## Correction

Because of an editing error, an article in the issue of Jan. 16-17 on a Spanish bank merger gave an incorrect name for the new entity. The name of the new bank will be Banco Santander Central Hispano.

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Airport Security and the Human Factor  
Errors and Oversights Are Common as High Turnover Hampers ScreeningBy Matthew L. Wald  
New York Times Service

**WASHINGTON** — Screeners at airport security checkpoints sometimes miss weapons that undercover testers hide under their clothes, or they notice them but do nothing.

Ticket agents forget to ask whether passengers are carrying packages from strangers, or fail to react properly if the answer is yes.

Airport employees don't single out passengers who buy tickets with cash at the last minute or otherwise act suspiciously.

And ground crews leave airplanes unlocked and unattended, giving intruders an opportunity to plant a weapon or a bomb.

Airlines do pass most of these tests, Federal Aviation Administration officials said, intercepting hundreds of weapons each year, and potential terrorists face a high likelihood of detection. But it is difficult for outsiders to determine how well the aviation agency and the airlines are doing.

Last week, the agency gave The New York Times reports on 71 security violations at US Airways, now US Airways. Concerned about the airport failure rate, the Transportation Department's inspector-general is testing security ar-

rangements, and its report is expected to go to Congress in February.

Some wonder that the system works at all, especially at the level of screeners, most of whom are hired at minimal wages by security companies trying to land contracts from the airlines, which are responsible for security at their check-in desks, gates and terminals.

"For the same money, or more money, you can go over to Pizza Hut or McDonald's in the same airport and maybe get better benefits and get a free lunch out of it," said a federal official who requested anonymity. And a fast-food job has few worrisome responsibilities, he pointed out.

Heavy job turnover — often well over 100 percent in a year — also has its effects. At the Dallas/Fort Worth airport in 1995, a federal agent with a weapon strapped to the small of his back set off a metal detector. The screener then used a hand wand. An investigation showed that the screener, who was on only his third shift, had not completed his training and did not realize that when the agent stepped his arms, his jacket stood away from his back, shielding the gun from detection.

At the other extreme is the screener at Cleveland Hopkins International Airport in 1995 who failed to detect a weapon smuggled in by another agent. US Airways

asked the aviation agency for leniency on the screener's behalf because the screener had been on the job for four years — "extensive experience (in terms of screener turnover)," the airline said.

At the checkpoint, "the ability of people to find things on the X-ray screen is shockingly low," said Michael Cantor, a psychologist formerly employed at Argonne, one of the largest U.S. airport security contractors.

Some people are detail-oriented and are very good at spotting guns or bombs, he said, while others have other useful traits, such as being "highly extroverted" and willing to challenge people who are often of higher social status.

But supervisors are not savvy," Mr. Cantor said. "They don't do a division of labor." Workers rotate between viewing the X-ray screen and the other checkpoint jobs. Mr. Cantor said he had developed a quick test to find detail-oriented people but could not persuade the aviation agency to use it.



People are, in fact, the weak spot in the system. Airlines and the aviation agency are installing more high-tech machines to scan bags, but the airlines do not always send the bags through the machines. Mechanics, baggage handlers and others often fail to wear required identification or fail to challenge persons not wearing it.

## WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

## Europe

City	High	Low	High	Low	High	Low
Algeria	12/10	4/8	12/10	4/8	12/10	4/8
Amman	12/10	4/8	12/10	4/8	12/10	4/8
Antwerp	12/10	4/8	12/10	4/8	12/10	4/8
Athens	12/10	4/8	12/10	4/8	12/10	4/8
Bahia	12/10	4/8	12/10	4/8	12/10	4/8
Bangkok	12/10	4/8	12/10	4/8	12/10	4/8
Bombay	12/10	4/8	12/10	4/8	12/10	4/8
Buenos Aires	12/10	4/8	12/10	4/8	12/10	4/8
Calcutta	12/10	4/8	12/10	4/8	12/10	4/8
Cairo	12/10	4/8	12/10	4/8	12/10	4/8
Cardiff	12/10	4/8	12/10	4/8	12/10	4/8
Chennai	12/10	4/8	12/10	4/8	12/10	4/8
Columbo	12/10	4/8	12/10	4/8	12/10	4/8
Dhaka	12/10	4/8	12/10	4/8	12/10	4/8
Dubai	12/10	4/8	12/10	4/8	12/10	4/8
Guangzhou	12/10	4/8	12/10	4/8	12/10	4/8
Hankow	12/10	4/8	12/10	4/8	12/10	4/8
Hong Kong	12/10	4/8	12/10	4/8	12/10	4/8
Kobe	12/10	4/8	12/10	4/8	12/10	4/8
Kuala Lumpur	12/10	4/8	12/10	4/8	12/10	4/8
London	12/10	4/8	12/10	4/8	12/10	4/8
Los Angeles	12/10	4/8	12/10	4/8	12/10	4/8
Manila	12/10	4/8	12/10	4/8	12/10	4/8
Moscow	12/10	4/8	12/10	4/8	12/10	4/8
Mumbai	12/10	4/8	12/10	4/8	12/10	4/8
Nairobi	12/10	4/8	12/10	4/8	12/10	4/8
Osaka	12/10	4/8	12/10	4/8	12/10	4/8
Paris	12/10	4/8	12/10	4/8	12/10	4/8
Perth	12/10	4/8	12/10	4/8	12/10	4/8
Port of Spain	12/10	4/8	12/10	4/8	12/10	4/8
Rangoon	12/10	4/8	12/10	4/8	12/10	4/8
Rio de Janeiro	12/10	4/8	12/10	4/8	12/10	4/8
Sao Paulo	12/10	4/8	12/10	4/8	12/10	4/8
Seoul	12/10	4/8	12/10	4/8	12/10	4/8
Singapore	12/10	4/8	12/10	4/8	12/10	4/8
Sydney	12/10	4/8	12/10	4/8	12/10	4/8
Taipei	12/10	4/8	12/10	4/8	12/10	4/8
Tokyo	12/10	4/8	12/10	4/8	12/10	4/8
Yokohama	12/10	4/8	12/10	4/8	12/10	4/8

	
<b>North America</b> Mid Pacific air will bring a much needed thaw to much of the United States Tuesday through Thursday. Considerable amounts of rain and snow will continue to fall on the Pacific Northwest. Expect flight delays into Portland and Seattle through the night.	<b>Europe</b> Mid Atlantic air will bring us to bring us to the west and the weather will be very mild in central Europe. Rain will be the rule in northern Mediterranean and a deluge



THE AMERICAS

# Up for Re-election, Some Republican Senators Woo Moderates on Clinton

By Katharine Q. Seelye  
New York Times Service

WASHINGTON — It was a strange sight. Senator Slade Gorton, Republican of Washington, was offering a compromise plan that would have abbreviated President Bill Clinton's impeachment trial and avoided witnesses. Mr. Gorton was only trying to please the many moderates in his state who support Mr. Clinton and want the trial over with. But his proposed compromise was shot down by his fellow Republicans in the Senate, and it infuriated conservatives in his state, who have vowed to field a candidate against him.

Mr. Gorton is part of a small but conspicuous class of 13 Republican senators whose political futures may hang in the balance along with Mr. Clinton's. They have the distinction of being up for re-election in 2000 and representing states that voted for Mr. Clinton in 1996.

And these are states where voters now strongly oppose his impeachment. (There are six other Republicans facing re-election, but they are from states that did not support Mr. Clinton in 1996.) This potential vulnerability makes these senators the prime audience for White House lawyers, who are to begin arguing the president's defense Tuesday.

Assuming that all 45 Democrats hold together in support of the president, the White House needs to win over only six Republicans to end the trial. The pressure will be especially intense on Senate Republicans from the Northeast and the West Coast, where support for the president is the strongest. Their future viability is not far from their daily calculations as they navigate the thickets of impeachment, each according to his or her political needs back home. Uniting them is the hard reality that approval ratings for Mr. Clinton

have soared during the impeachment process while those of the Republican Party have plunged. And there is a concern, increasingly raised by Republican strategists, that a drawn-out impeachment trial could drag them down in 2000 just as it dragged down House Republicans in November. "The impeachment debate has become the Republicans' Vietnam," said Whit Ayres, a Republican pollster based in Atlanta. "It's a war fought for all the right reasons. But we've lost the support of the American people—we never had it—and in a democracy, you can't continue to prosecute a war without the support of the people. What we need is peace with honor."

This view is not universal. Some Republicans maintain that 2000 is so far away that impeachment will have little effect on the elections. "This will have zero impact, either positive or negative, on the election of U.S. senators in a presidential year 22 months from now," said Senator Mitch McConnell, Republican of Kentucky, who heads the committee overseeing the election of Republicans to the Senate.

## Republicans Beat Drum For Clinton Witnesses

Compiled by Our Staff From Dispatches

WASHINGTON — A key Senate Republican said Sunday that witnesses would probably be called in the impeachment trial of President Bill Clinton, despite White House arguments that the Senate already has enough material to judge the case. "I think it will be pretty tough under these circumstances not to have witnesses," Senator Orrin Hatch, Republican of Utah and chairman of the judiciary committee, said on the NBC-News show "Meet the Press."

He said that House prosecutors had presented a "powerful case" that Mr. Clinton had committed perjury and obstructed justice during the investigation into his affair with Monica Lewinsky, a former White House intern. "The White House has a heavy burden now," Mr. Hatch said, adding that the president's lawyers would not be able to "sweep away the House's case" with a motion to dismiss the impeachment counts before any witnesses are heard.



Three Democratic and three Republican senators appearing Sunday on "Meet the Press." From left: Christopher Dodd, John Kerry, Paul Wellstone, Kay Bailey Hutchinson, Orrin Hatch and James Inhofe.

## CLINTON: With an Oratorical Flourish, Hyde Sums Up the Case

Continued from Page 1

a president than for judges who have been ousted in recent years for making false statements under oath. Mr. Clinton is accused in one impeachment article of committing perjury in his testimony to the grand jury investigating his sexual relationship with Monica Lewinsky. Mr. Hyde's speech was a stunner from another era, a florid 20-minute throwback to the days of orators like William Jennings Bryan — moving to some in the chamber and no doubt outside it, banal to others.

Stocky and silver-haired, sometimes seemingly on the verge of choking up, Mr. Hyde pulled out every stop on the rhetorical organ, recalling Bunker Hill and Flanders Field and Normandy, Saigon and Desert Storm, the Ten Commandments and Magna Carta, Mosaic law and Roman law, the Gettysburg Address and the Spirit of '76. He complained about what he called "massive and relentless efforts to change the subject" by the president's lawyers and he said it was a disservice to the House to suggest, as some Demo-

crats have, that "it has brought these articles of impeachment before you in a frivolous, mean-spirited or irresponsible way." Finally, Mr. Hyde read a letter from William Summers, a third-grader in Room 304 at Chase Elementary School in Chicago, who asked him, "If you cannot believe the president, who can you believe? If you have no one to believe in, then how do you run your life?" Mr. Canady and two colleagues on the panel of House managers, Representatives Steve Buyer, Republican of Indiana, and Lindsey Graham, Republican of South Carolina, sought to pre-emptively rebut arguments of Mr. Clinton's defense.

## POLITICAL NOTE

### Going Off Script, Just for a Moment

WASHINGTON — Representative Robert Barr was at the lectern, reading a long speech — nearly every word and action in the impeachment trial of President Bill Clinton has been rehearsed. The Republican of Georgia was explaining the allegations against the president to light of the U.S. Code, sections 1503, 1512 (etc. etc.). It was not easy going. But he had finally emerged from the thick legal underbrush into a meadow of crystalline rhetoric and was about to wind things up, when suddenly ... The slightly startled voice of Chief Justice William Rehnquist cut Mr. Barr off. "The chair recognizes the gentleman from Iowa." Then Tom Harkin, a Democratic senator from Iowa, said, "Mr. Chief Justice, I object."

## Medical Association Dismisses Editor of Research Journal

By Gina Kolata  
New York Times Service

NEW YORK — The American Medical Association has dismissed the editor of its leading journal, contending that he had rushed through a paper on whether college students think oral sex is "having sex" in order to influence the impeachment trial of President Bill Clinton. Dr. E. Ratcliffe Anderson, executive vice president of the American Medical Association, said the incident, which aroused strong criticism from some researchers and journal editors, had followed what he said was an erosion of his faith in the editor, George Lundberg.

## Founder of Legendary Wall Drug Dies at 96

By Robert McG. Thomas Jr.  
New York Times Service

Anybody who watched Ted Husted roll into Wall, South Dakota, on a cattle truck in December 1931, his wife and 4-year-old son at his side, would have needed quite a crystal ball to predict that by the time Mr. Husted died two-thirds of a century later, the governor of South Dakota would be moved to open his annual state-of-the-state address with a tribute to the man who became a beloved South Dakota legend by turning a small-town pharmacy named Wall Drug into the world's most popular drugstore.

Or as Governor William Janklow put it last Wednesday, a day after Mr. Husted died at 96 at a hospital in Philip, South Dakota, 30 miles from Wall: "He's a guy that figured out that free ice water could turn you into a phenomenal success in the middle of a semi-arid desert way out in the middle of nowhere." Or, as it seemed at the time, "Certainly, in 1931 it would have been hard to predict that anyone who settled in Wall would make much of a mark, let alone a 28-year-old pharmacist who had used the \$3,000 he inherited from his father to buy the lone drug store in town."

The Hustedes agreed to stick it out for five years, but after taking in only \$360 the first month and not much more after that, it began to seem that Wall Drug had been a dead end. Then Mrs. Husted had a brainstroke. Going home for a nap on a hot day in July 1936, she was unable to sleep because of this incessant rattle of a typewriter on nearby Route 16. It got her to thinking, she said, that if they put up a

little sign out on the highway offering free ice water to tourists on their way to Mount Rushmore, maybe some of them would turn off to quench their thirst and perhaps even buy something. By the time Mr. Husted got back from putting up the first sign, cars already had started turning off and making the block and a half to Wall Drug. They have not stopped. Fired by the initial success, Mr. Husted installed signs along every highway in South Dakota and neighboring states, all proclaiming just how much farther a motorist had to go to reach Wall Drug. In time Mr. Husted was spending \$300,000 a year on billboard advertising, including signs on London buses and in every train station in Kenya. But it was American GIs who took up the craze and spread the Wall Drug word to the far corners of the world. During World War II it seemed that every sign saying "Kilroy was here" was accompanied by one giving the mileage to Wall Drug.

## Call for a 'Day On'

WASHINGTON — Americans should make the Martin Luther King Jr. holiday Monday "a day on, not a day off" by joining a nationwide volunteer campaign, President Bill Clinton said over the weekend. Mr. Clinton planned to set an example with his own community service project at a home for the elderly in northwest Washington. It is part of a drive by the administration's AmeriCorps national service program to deploy 100,000 volunteers Monday.

## Quote/Unquote

William Summers, a third-grader in Chicago, in a letter read by Representative Henry Hyde on Saturday at the impeachment trial: "I have thought of a punishment for the president of the United States of America. The punishment should be that he should write a 100-word essay by hand. I have to write an essay when I lie." (AP)

## Away From Politics

• A politically connected lawyer who had had an affair with the Delaware governor's secretary was convicted Sunday of murdering her and dumping the body at sea. Without a body or any concrete evidence of how Anne Marie Fahey died, prosecutors used circumstantial evidence to show that Thomas Capano had planned her death. He could be sentenced to death. (AP)

• Six months after saying he wanted to abolish the city's methadone treatment programs, Mayor Rudolph Giuliani of New York has dropped his plan to move 2,100 heroin addicts who are in city hospitals into abstinence programs. Only 21 of the 2,100 gave up methadone in a five-month experiment, and five have relapsed into heroin use, officials said. (NYT)

• Pfizer Inc. has filed for a patent on a nasal-spray version of its anti-impotence drug Viagra. (AP)

## Projection of a Huge Surplus Excites Both Parties

By George Hager  
Washington Post Service

WASHINGTON — New federal budget estimates project a windfall surplus of as much as \$700 billion over the next 10 years, which would provide an enormous boost to Republican hopes for a broad tax cut and to Democratic plans for new domestic spending. The unofficial estimates come from the Senate Budget Committee and are based on its expectations of official numbers to be made public Jan. 29 by the Congressional Budget Office. That agency closely guards its projections and has declined to confirm them.

The committee's projections show a remarkable budget turnaround: What had been expected to be a 10-year deficit of about \$9 billion in the non-Social Security part of the federal budget in the years 1999 through 2008 is expected to change to a surplus of about \$522 billion over the same period. Since the numbers improve steadily over time, kicking the projections forward one year, to 2000 through 2009, could increase the 10-year surplus to as much as \$700 billion — and that would be on top of any surplus established by Social Security — according to the estimates.

In the world of budget politics, these numbers could be a very big deal, since they would allow politicians to leave Social Security trust funds alone as they look for money to finance tax cuts or spending increases. The Senate Budget Committee's Republican staff already is mapping plans to divide the surplus among tax cuts, spending increases and debt reduction. Both parties have been constrained in tapping the budget surplus for their priorities because of the argument that the balance has been generated so far entirely by the huge surplus of payroll taxes flowing to the Social Security trust funds to pay for baby boomer retirement

in the next century. President Bill Clinton has repeatedly insisted that politicians leave the budget surplus untouched until they solve Social Security's long-term problem: the program is expected to go broke in 2032. Republicans failed to push through an ambitious package of tax cuts last year because of Democratic criticism that they were raiding the budget surplus generated by Social Security taxes to pay for them. Until now, the non-Social Security part of the federal budget was expected to remain in the red until 2005 and generate only modest surpluses after that. But the new numbers show that part of the budget turning positive in 2002 and quickly generating much bigger-than-expected surpluses.

The White House said that it would stick to its Social Security-first demand. "More optimistic surplus forecasts don't affect our basic principle that all of the surplus should be reserved until we know how much is needed for a long-term fix for Social Security," said Gene Sperling, director of the White House's National Economic Council. But some Republicans say the new projections should change that dynamic. "If there's a surplus, that's fair game," a senior Republican budget official said.



## ASIA/PACIFIC

# Court Refuses to Grant Anwar Bail

## Malaysian Police Return Him to Prison After New Legal Setback

Compiled by Our Staff From Dispatches

**KUALA LUMPUR** — An appeals court has rejected the last possible bail request of Anwar Ibrahim, who was removed last fall as the Malaysian deputy prime minister and jailed on charges of abuse of power and sexual misconduct.

After the ruling Saturday, the police hauled Mr. Anwar into a car that returned him to prison. Hundreds of his supporters outside the courthouse chanted "Long live Anwar!"

He denies the charges and says that he is a victim of a political vendetta by Prime Minister Mahathir bin Mohamad. "I have no recourse against an erroneous decision of the high court," Mr. Anwar said in a statement. "The Court of Appeal has virtually killed all my chances of making a fresh application for bail."

The bail rejection was the second legal blow in three days to Mr. Anwar. The first was a ruling to strike all sexual evidence from his corruption trial, which his lawyers said would cripple their case. The ruling followed prosecution amendment of the charges to stress his alleged interference in police work, rather than sexual misconduct.

His trial was adjourned Thursday until Jan. 26.

The prime minister dismissed Mr. Anwar on Sept. 2 and he was arrested soon after for organizing huge protests that demanded an end to Mr. Mahathir's 17-year rule.

Few people expected Mr. Anwar to be released on bail because his application was turned down before by a lower court judge, who said that Mr. Anwar might try to tamper with witnesses if he were released. Lamin Yunus, president of the three-member Court of Appeal, said Saturday that he found no reason to overturn that court ruling.

He also remarked that noise generated by hundreds of people who gathered

outside the courthouse every day to show support for Mr. Anwar had been a factor in the decision. "There are tremendous noises caused by shouts," Mr. Lamin said. "I consider such noises a breach of peace."

He added that if Mr. Anwar were free, police would have to deploy extra forces, which would be a drain on public coffers.

Meanwhile, in a message to Muslims preparing to mark the end of the fasting month of Ramadan, Mr. Anwar vowed to keep up his struggle.

His two-page message, dated Jan. 7, was circulated late Saturday at a dinner given by the Social Justice Movement, which is headed by his wife. The dinner was attended by the country's opposition leaders.

Mr. Anwar said his experience in jail had made him stronger and wiser. "My

mind and spirit remains free, although I am surrounded by high walls and barbed fence," he said in the message. "I reiterate my pledge to continue my struggle for justice, eliminate oppression and protect the weak."

He warned the nation not to be blinded by calls for unity amid so-called threats from foreign powers.

"Be careful of the plot to use calls for patriotism and nationalism as the wool to cover up corrupt acts and internal oppression," he said. "There are too many leaders who are cowards and greedy, trying to deflect attention from their crimes by spreading the danger of foreign powers to scare the people."

"The nation should always be prepared to face foreign threats, but let us not get carried away and be careless against the real internal enemies," he added. (AP, AFP)



Members of the Social Justice Movement asking Mr. Anwar's wife, left, for her autograph in Kuala Lumpur.

# Hun Sen Backs Trial for Khmer Rouge — and Its Supporters

Agence France-Presse

**PHNOM PENH** — Prime Minister Hun Sen of Cambodia has given firm support to calls for a trial of leaders of the former Khmer Rouge movement on charges of crimes against humanity.

But he demanded that justice also be applied to international supporters of the Khmer Rouge regime. "Nobody should escape justice," the prime minister stressed in an interview Saturday with journalists of Agence France-Presse and the French newspaper Le Monde.

"The Khmer Rouge must be brought to a trial, but those who supported them should appear as well," he added.

This was an escalation in a growing debate over demands that the surviving leaders of the violent Communist movement face a tribunal.

The prime minister's call for an inquiry into

crimes against humanity during the 1970 to 1998 years of conflict would cover massive U.S. bombing of Cambodia, mass killings by the forces of Pol Pot, then the Khmer Rouge leader, and battles carried on by the guerrillas after the movement was deposed in 1979 by Vietnamese troops.

"There is the period from 1970 and 1975 — should we consider nearly 1 million dead to be a crime?" he said, referring to the years when U.S. B-52 bombers pounded the countryside in an effort to cut North Vietnamese supply routes to South Vietnam.

"We should find justice for those who died from 1970 to 1975, from 1975 to 1979, and from 1979 to 1998," he said. "The dead from each period demand the same justice."

Mr. Pol Pot died in April while detained in a jungle camp.

Deflecting criticism over a welcome he gave last month to defecting rebel leaders, including a Pol Pot ideologue, Nuon Chea, and the movement's nominal chief, Khieu Samphan, Mr. Hun Sen declared that no amnesty had been given.

He lashed out at what he called the "hypocrisy" of foreign supporters of the Cambodian rebels. "Many people have proclaimed what is morality and law," he said. "If you talk like this you have to be transparent, and you cannot hide one fact that is intrinsically linked to another."

Analysts warned that Mr. Hun Sen's statements, the most comprehensive so far, could create virtually insurmountable obstacles to a trial. But the analysts admitted that the arguments were firmly rooted in the fact that Cambodia's years of suffering were observed by Khmer Rouge supporters abroad.

Despite a well-documented record of having caused more than a million deaths through shootings, slave work and starvation, the ultra-leftists in the Khmer Rouge continued to receive foreign support after they were deposed in 1979 by Vietnamese invaders.

The Khmer Rouge found allies in the United States — fresh from its humiliating defeat by North Vietnam — as well as in Thailand and other Southeast Asian states and its long-term allies, China and North Korea. Britain was also reported to have given aid.

The United States and Thailand have called for a trial focused exclusively on crimes committed during the years 1975 to 1979 by the Pol Pot forces.

"The international community should not forgive and forget certain periods for their political gain," Mr. Hun Sen said.

## INTERNATIONAL

# U.S. and EU Denounce Massacre in Kosovo as NATO Ponders Next Move

By Barry James  
International Herald Tribune

**PARIS** — The United States and the European Union reacted with outrage to the massacre of 45 ethnic Albanians in the Yugoslav province of Kosovo, with President Bill Clinton saying that "this was a deliberate and indiscriminate act of murder designed to sow fear among the people of Kosovo."

Foreign Minister Joschka Fischer of Germany, speaking on behalf of the EU, said that "those responsible for this act must know that the international community is not prepared to accept the brutal persecution and murders of civilians."

Yugoslavia acknowledged that its forces had killed dozens of opponents in fighting at the village of Racak, south of the Kosovo capital, Pristina, on Friday. It said they were uniformed "terrorists," a description it applies to guerrillas belonging to the secessionist Kosovo Liberation Army.

## KOSOVO: Urgent NATO Talks

Continued from Page 1

including the kidnapping of several Serbian soldiers, who were released from captivity just last week.

The latest upheaval occurs at a distressing time for the Western military alliance, which is trying to chart the scope of its missions for the 21st century. The new strategy is supposed to be unveiled at a 50th anniversary gathering of all-Alliance leaders in Washington this April, when Poland, Hungary and the Czech Republic will be formally inducted into the alliance.

"Our worst fears are coming true," said a senior U.S. policymaker in Washington. "Just when we need to concentrate our energies on delicate negotiations for a future mission statement, we are being hit with a new crisis in Kosovo."

NATO's options appear unpalatable in many respects. Since the agonizing debate last October, several European states remain reluctant to approve air strikes in the absence of explicit authority from the United Nations Security Council. That prospect appears unlikely given staunch opposition by Russia and China, two of the council's five permanent members, against any outside military intervention within Yugoslavia's borders.

Until the latest massacre, some NATO governments were inclined to place much of the blame on the Kosovo Liberation Army for stirring up trouble in recent months through provocative ambushes against Serbian forces. NATO officials say those attacks have further weakened any willingness in allied capitals to launch air strikes because, as the NATO secretary-general, Javier Solana Madariaga, has declared, NATO "is not prepared to serve as the KLA's air force."

Some military experts question the lasting value of launching air strikes against Serbian military targets without any intervention by NATO ground forces to enforce a cease-fire and disarm the combatants. But there appears to be little desire among NATO governments to dispatch troops to another Balkan hot spot at a time when more than 30,000 NATO peacekeeping forces are still deployed in Bosnia.

But none of the bodies seen by international monitors and journalists in a ditch near Racak wore a uniform. They included three women and a child. All had been shot at point-blank range, and some had been mutilated and disfigured. One elderly man had been decapitated. Villagers said the victims had been led away and executed.

Gunfire at Racak broke out again Sunday, forcing villagers to flee before they could bury the dead, lying under plastic sheets at the mosque. Serbia blamed the Kosovo guerrillas for firing on forensic investigators attempting to enter the village. But the U.S. State Department spokesman, James Rubin, said the renewed fighting was the result of a "provocation" when the government tried to send forces into the village.

The crisis placed the shaky truce in Kosovo in danger and risked leading to a regional conflict. Albania called for an urgent UN Security Council meeting as the former Albanian president, Sali Berisha, called on the nation to prepare for a "life or death war" for the survival of the Albanian people in Kosovo.

On Friday, the supreme commander of allied forces in Europe, General Wesley Clark, warned that widespread fighting could resume with the return of milder weather. NATO officials said that President Slobodan Milosevic of Yugoslavia had reneged on a pledge to seek a nonmilitary solution to the Kosovo conflict, and had redeployed large army and police units in the province.

But the Serbian deputy prime minister, Vojislav Seselj, denied that Serbian forces were responsible for the latest atrocity. "Those bodies must have been mutilated and disfigured by the terrorists," he said.

Foreign Secretary Robin Cook of Britain dismissed the Serbian claims. "It plainly was not a battle," he said. "They were shot in the head at close range. Observers saw absolutely no evidence of fighting."

NATO nations withheld bombing attacks against Serbian forces because of a cease-fire signed Oct. 12 after hundreds of people had been killed in fighting and some 300,000 driven from their homes. The cease-fire was to be "verified" by 54-nation Organization for Security and Cooperation in Europe. Officials said plans to carry out bombing raids could quickly be reactivated.

Kosovo is a province of Serbia and part of the truncated republic of Yugoslavia. Ninety percent of its population is of ethnic Albanian origin, with an increasing tendency toward secession resisted by Yugoslav authorities.

After seeing the corpses at Racak, the head of the OSCE verification mission, William Walker, an American, condemned the "unspeakable atrocity" and called the killings "a crime very much against humanity."

"Nor do I hesitate to accuse the government security forces of responsibility," he added.

Yugoslav authorities responded by calling Mr. Walker an agent of the Central Intelligence Agency and a protector of the "terrorists."

The head of the International Criminal Tribunal in the Hague, Louise Arbour, planned to enter Kosovo on Monday to investigate the atrocity. She said the massacre fell "squarely within the mandate" of the UN court.



Ethnic Albanians fleeing from the Kosovo village of Racak on Sunday after fresh fighting flared between rebels and Serbian security forces while residents were identifying victims of a massacre that occurred Friday.

# YELTSIN: He's in Hospital Again, This Time for Bleeding Ulcer

Continued from Page 1

At the time of Mr. Yeltsin's 1996 heart surgery, doctors said he suffered from stomach bleeding, which they attributed to aspirin he had been taking before his heart troubles were fully known.

The noted Houston heart specialist Dr. Michael DeBakey, who served as a consultant during the operation on Mr. Yeltsin's heart, was quoted by Russian television on Sunday night as saying he hoped the ulcer could be treated by drugs and without need for surgery.

Mr. Yeltsin's doctors said surgery was not planned immediately but remained an option if necessary, the independent radio station Ekhn Moskvy reported.

Kremlin officials said Mr. Yeltsin would be sidelined for three or four weeks. This would mean postponing a planned visit to France scheduled for the end of the month, which was to be Mr.

Yeltsin's first trip abroad since he became ill on a visit to Central Asia last year.

As in the past, Mr. Yeltsin's illness set off political speculation about how long he could remain in office. The 1993 Russian Constitution says that when a president dies or is incapacitated in office, the prime minister becomes president and new elections are held within three months. But the constitution provides no mechanism for deciding if a president is incapacitated. Mr. Yeltsin in the past staunchly resisted suggestions that he resign the presidency.

But there were louder demands on Sunday for him to surrender power. The most significant has come from Moscow's mayor, Yuri Luzhkov, a former Yeltsin ally whose presidential campaign is picking up speed. Mr. Luzhkov said last week that Mr. Yeltsin was "not active enough" and should step aside and call early elections.

"There is the problem of early presidential elections," Mr. Luzhkov said. "We all know it exists. It would be hypocrisy to keep ignoring it, or to spot it and keep being silent about it." But he said under the Russian Constitution, only Mr. Yeltsin could make the decision.

If Mr. Yeltsin yielded, Prime Minister Primakov would become temporary president for up to three months. He denies that he would be a candidate, but it has been noted that the former intelligence chief, journalist and foreign minister has had strong approval ratings in recent polls.

Mr. Yeltsin's opponents in the remnants of the Communist Party have long demanded that he quit. The speaker of the lower house, Gennadi Seleznyov, said Sunday that Mr. Yeltsin should transfer key powers to Mr. Primakov now because he was likely to "stay in the hospital for quite a long time."

# MEMORIAL: Berlin Turns to 'Synthesis' to Remember Holocaust

Continued from Page 1

Four glass-roofed tunnels are to lead out from the building into the field of pillars — once described by Mr. Eisenman as "a place of emptiness, a physically perceptible incision into the city and its history." The tunnels will also house periodic exhibitions.

"My memorial has won. It is intact, with the adjunct of a Holocaust archive," said Mr. Eisenman, who was in Berlin for the presentation of the new plan. "Beside it, you have what amounts to a small building, a proscenium for the monument." The project is due to be unveiled formally Monday.

Mr. Naumann appeared elated that a compromise had been reached. His initial remarks last year about the monument — including a comparison of its monumentalism to the work of Hitler's architect, Albert Speer — provoked widespread bitterness.

Last month, Mr. Naumann had a first meeting in Berlin with Mr. Eisenman that did not appear to go well, with the architect saying he could not make any compromises and displaying a letter of support from a prominent Ger-

man intellectual, Jurgen Habermas. At the same time, Mr. Naumann came out with what seemed to be various half-formed ideas for a "genocide watch center," a museum and a research center, possibly also housing part of the video library of the director Stephen Spielberg's Shoah Foundation. Once again, opposition was virulent.

But this time, after further talks among Mr. Naumann, Mr. Eisenman and Mr. Blumenthal in New York on Dec. 30, the project seems to have been well prepared and to have broad backing.

The plan clearly reflects the sentiments of both Mr. Eisenman's many supporters and the new government. Lea Rosh, a writer who has been a leading proponent of the memorial, indicated that she was in favor of the compromise.

Mr. Blumenthal said agreement also had been reached that the memorial would be administered by the Jewish Museum, therefore combining the two major remembrance projects in Berlin and ensuring that there is no duplication.

The accord amounts to an important breakthrough. It had been unclear how the memorial and Jewish Museum would relate to each other. It also means that an

American, Mr. Blumenthal, will direct the Berlin Holocaust Memorial. The museum, which was designed by the American architect Daniel Libeskind and is to open this month, will essentially be devoted to retracing the long and rich history of the Jewish presence in Germany, a presence largely eliminated by Hitler.

Opposition may still emerge in the Bundestag to the compromise memorial project. But because Mr. Schroeder has a comfortable majority there, it seems unlikely that a plan he strongly backs would be rejected.

The government is particularly eager to settle the matter of the memorial because a debate over memory of the Holocaust has been raging in recent months between a prominent writer, Martin Walser, and members of the small German Jewish community. Mr. Walser said last year that Auschwitz had become a "moral cudgel," a "routine threat" and a "tool of intimidation" for Germans.

Inevitably, this sharp debate and the dithering over the memorial became intertwined.

But a breakthrough appears to have been made. "This time," said Mr. Eisenman, "it may even happen."

## BRIEFLY

## 5 Western Envoys Return to Belarus

**MINSK** — Ambassadors from Germany, France, Britain, Italy and Greece returned to Belarus on Sunday, more than six months after they pulled out of the former Soviet republic over a dispute about housing with the Belarusian authorities.

"I am very happy to be back," Ambassador Jessica Pearce of Britain told reporters at the airport on her arrival. "I hope we can get back to normal. We have found a working compromise which will allow us to discuss more important things."

The ambassadors had accused Belarus of breaking the Vienna Convention governing diplomatic relations by ordering them to leave their residences in a compound in the capital, Minsk, where President Alexander Lukashenko also has his official home. Mr. Lukashenko said they had to move to allow for urgent plumbing work. (Reuters)

## King Hussein Plans 'Review' of Nation

**AMMAN** — King Hussein of Jordan, preparing to return home after months of cancer treatment abroad, hinted over the weekend that he planned to carry out major changes in his country.

"There is no choice but to engage soon in a comprehensive review of our national course and dealing with all the issues and challenges that occupy our minds or obstruct our blessed path," he told his people in a taped address from his London residence relayed on state television.

Officials close to the 62-year-old monarch said he was contemplating changes related to the succession of the Hashemite dynasty. (Reuters)

## Colombia Discovers Cocaine on Boat

**BOGOTA** — The Colombian Navy said it had found 400 kilograms (880 pounds) of cocaine on a fishing boat seized by the U.S. Coast Guard after a three-day pursuit in the Caribbean.

Drug-sniffing dogs detected the cocaine, hidden in 12 automotive batteries stored on the vessel, after it was escorted by the Coast Guard back to the Caribbean port of Cartagena, the Colombian Navy announced Saturday.

The Coast Guard seized the boat Wednesday near La Serrana, an island belonging to Colombia, said Vice Admiral Jaime Cardona. He did not say whether anyone had been arrested from the boat. (AP)

## For the Record

President Bill Clinton has again waived for six months a provision in the Helms-Burton Act that allows lawsuits against companies in Cuba using property seized when Fidel Castro took power. Mr. Clinton said he was taking the action "to enhance human rights and hasten the day when the Cuban people enjoy democracy and prosperity." (Reuters)



BOOKS

THE LOVE OF A GOOD WOMAN

By Alice Munro. 340 pages. \$24. Knopf. Reviewed by Greg Varner

THE love of a good woman depends, in part, on her willingness not to ask certain questions, as Alice Munro demonstrates in her new collection of short stories. The love of readers for great writers, Munro among them, depends entirely on the writer's mastery of her art.

Munro is indisputably a master. "The Love of a Good Woman" describes human existence with greater elegance and precision than she has previously achieved in her distinguished body of work. With magical economy, she sketches the contours of a life or a complex relationship, but it's a finely detailed portrait — with subtle shading and deep perspective — rather than a mere suggestion.

The pendulum seems to have swung back somewhat from the pervasive minimalism of much recent fiction; Munro, of course, has been a foremost counterexample all along. Her stories are probably unrivaled in their fullness.

Munro's imagination is fearless. In the collection's long title story, she convincingly makes her way into the lives of three boys, who weigh the differences among the various ways men greet them. They realize that "men who said 'young fellows' were better disposed — or wished to seem better disposed — than the ones who said 'boys.' Boys could be the signal that a telling off was to follow, for offenses that could be either vague or specific. 'Young fellows' indicated that the speaker had once been young himself. 'Sirs' was outright

mockery and disparagement...."

In most of these stories, however, Munro concentrates on girls and women caught up in dramas great and small. "Rich as Stink" presents the poignant and beautiful spectacle of a girl on the verge of young womanhood as she puts on a wedding dress. The way the material feels on her skin is made vivid in Munro's delicate and deceptively plain-spoken prose. In a surprising climax, the precocious girl's entry into adulthood is achieved with startling speed.

Like all great writers, Munro helps sharpen perception; in her reliable hands, readers are reminded of how uncivilized "civilization" may be, or how an act even as mundane as brushing one's teeth can come to seem "laborious and unfamiliar." She can illuminate "the peculiar threat of a china cabinet" and put readers in possession of pithy concepts such as "poisonous civility."

In another remarkable story, "Before the Change," a young woman suddenly finds herself assisting her father, a physician, as he performs an illegal abortion, circa 1960. She tries to help the patient cope with the pain by asking her to name her favorite movie. The patient's "eyes flicked over me with the coldly distracted expression of someone who sees that a human being can be about as much use as a stopped clock." But when the narrator puts her hand in the woman's hand, she learns a simple and profound lesson: "I was surprised at how fiercely and quickly she grabbed it and mashed the fingers together. Some use after all."

That Munro can contrive so effortlessly to answer the question, "What use are people?" while writing about an abortion is breathtaking — and typical. She is a writer fond of counterpoint, of

correspondence and ironic coincidence. In "Jakarta," an aging widow can't shake the idea that her husband may still be alive, while one of her contemporaries — though he would apparently welcome death — hopes his ex-wife keeps him alive in her memory. In "Cortes Island" an elderly stroke victim laboriously communicates some surprising autobiographical information to a much younger woman, a would-be writer who is his paid companion, giving her a tantalizing glimpse of the world's richness of hidden detail.

It is possible to read "Cortes Island" as a parable of the creative artist, who in youth suspects that the world holds many secrets but must wait for age to reveal them — with the caveat that age brings the risk of an impaired ability to communicate such greater knowledge. To make this suggestion, however, is not to insist on one interpretation: To reduce any of Munro's stories to one simple "reading" is to do them an unkindness. They are richly prismatic, giving off different colors as their facets turn in the light.

Nevertheless, it does seem fitting to end by emphasizing how, apart from her pervasive concern with the nature of being in time, Munro does seem preoccupied in this book with the idea of knowledge as burden. This may be taken as an apt emblem of the stories themselves, which come to readers as a delight, first and foremost, and with much laughter, but with a weight that may become more and more troubling the longer readers live with the gift. A better book of stories can scarcely be imagined.

Greg Varner, arts editor of *The Washington Blade*, wrote this for *The Washington Post*.

BRIDGE

By Alan Truscott

YOUR resolution for the New Year might be to do something you know quite well you ought to do: When the dummy comes down, think before playing to the first trick. Even experts fall into this trap, as witness the diagrammed deal from the National Senior Knockout Teams.

North-South struggled up to three oo-trump, and West led the unbid diamond suit. South played low from dummy and East won with the king. He made a shift to the club queen, attacking the declarer's communications, and South suddenly found himself in trouble: After winning with the ace, he did not know whether or

not to cash the club king. What he chose to do, wrongly, was to abandon the club king, cash three top hearts followed by the diamond ace. Then he led another heart, and West was on lead in the position shown below.

NORTH  
SA 10 6 2  
H 9 5  
D —  
C —

WEST  
S K 9 7 4  
H —  
D J  
C 7

EAST  
S Q J 3  
H —  
D —  
C J 9 6

SOUTH  
S 8 5  
H —  
D Q 9  
C K 8

West did the best he could to deal with the actual position by leading the spade nine. South covered with the 10, his third error, and could not escape defeat when East won with the jack and led the queen.

South erred in the ending by wasting dummy's spade 10. If he had won the nine with the ace and cashed one heart winner, he would have prevailed.

But he should not have been in this trouble. If he had thought longer at the first trick he would have found a plan that would succeed against anything but a very bad heart split. He should have won the ace of diamonds, cashed the top hearts and played a fourth round. The red-suit situation would not matter with normal

breaks. He would have made nine easy tricks, just by thinking at the first trick.

NORTH  
A 10 6 2  
K Q 9 5 2  
A 9  
10

WEST  
K 9 7 4  
J 10 7 3  
Q J 3  
7 3

EAST  
Q J 3  
8 4  
K 10 7 2  
Q J 9 6

SOUTH (D)  
8 5  
6  
Q 8 5 4  
A K 8 5 4 2

The bidding: South West North East  
Pass Pass 1 0 Pass  
2 4 Pass 2 0 Pass  
3 4 Pass 3 0 Pass  
N.T. Pass Pass Pass

West led the diamond three.

INTERNATIONAL

Mandela and de Klerk:  
The Hidden Hostilities

New Memoirs Reveal Bitterness in Show of Amity

By Suzanne Daley  
New York Times Service

JOHANNESBURG — For years, they were inextricably linked, so much so that while they gingerly shared a government, their images were sold together in souvenir shops here as routinely as salt-and-pepper shakers. Behind the scenes, it was a difficult union.

Nelson Mandela, now president, and F.W. de Klerk, his predecessor, negotiated the country's transition from white supremacist rule to democracy, then ruled for two years as president and deputy president, often clasping hands to offer an image of racial harmony. In 1993, they shared the Nobel Peace Prize.

But after years of silence about the relationship, Mr. de Klerk has unleashed his anger at President Mandela in an autobiography, which is to be published Tuesday in London.

An account of the autobiography has appeared in a South African newspaper. There were hints over the years that the two men did not really like each other very much. In 1995 a photographer caught them shouting at each other in a parking lot.

But Mr. de Klerk never revealed to interviewers his inner feelings toward Mr. Mandela, joking that he needed to save some information for his memoirs.

Now those memoirs, called "The Last Trek: A New Beginning," give long accounts of bitter feuds that developed over everything from politics to whether Mr. de Klerk's wife could renovate the official residence they were assigned after the 1994 elections.

Mr. Mandela wrote his autobiography in 1994. It describes some of the same events. But it was published when the two were still in government together and was restrained in its treatment of Mr. de Klerk.

A spokesman for the president, Parks Mankahlana, said Mr. Mandela had not seen a copy of the book and therefore could not comment on it. "It would be very difficult anyhow," he said. "This is biographical material, and a lot of times it really has to do with an impression."

Mr. Mankahlana said, however, that no humiliation was intended when arrangements were made for housing the de Klerks after the elections.

According to *The Mail & Guardian*, the South African weekly that obtained a

copy of the book, Mr. de Klerk's regard for Mr. Mandela began to slip almost immediately after he ordered the nationalist leader's release from jail in 1990.

Mr. Mandela, he wrote, "failed completely to rise to the occasion" on the day of his release and delivered a speech in Cape Town that was "evidently drafted by hard-line ideologues."

In the speech, Mr. Mandela pledged that, until democracy arrived, his African National Congress would continue the armed struggle, which he had helped begin 30 years before as the founder of Umkhonto we Sizwe, or Spear of the Nation.

Early in the peace talks that followed came the first major blowup. Mr. de Klerk described fuming at Mr. Mandela for what he called "one of the most vicious personal attacks on a political opponent that most of those present" at the Convention for a Democratic South Africa — had ever heard.

"He accused me of being the head of an illegitimate discredited minority regime and of being incapable of upholding moral standards," Mr. de Klerk wrote.

"As he piled insult on insult, I found it difficult to control my fury." His first reaction, he wrote, "was to walk to the microphone and rip off the ANC's mask in the strongest possible verbal counterattack."

Mandela spoke long enough to give me time to regain control of myself," he added, and "national interest demanded I should transcend my own ego."

When the talks adjourned for Christmas, Mr. de Klerk recalled, Mr. Mandela shook his hand. "I accepted Mandela's gesture as gracefully as I could, but felt that there was no longer any possibility of our ever again having a close relationship. The fact remained that Mandela's vicious and unwarranted attack created a rift between us that never again fully healed."

The Nobel Prize ceremony did not improve their relationship. According to Mr. de Klerk, Mr. Mandela began attacking him in interviews even before Mr. de Klerk arrived in Oslo.

"Apparently he was not pleased with the decision to include me in the award," Mr. de Klerk wrote.

The relationship declined even further after Mr. de Klerk lost the elections in 1994 and a decision had to be made about which presidential home the de Klerks were to have.



Former President de Klerk's memoirs are to be published Tuesday.

At first, Mr. Mandela was expected to move into the Presidency, a house used for the ceremonial state president under the apartheid government. The de Klerks were told they could keep the house known as Libertas.

But then Mr. Mandela told Mr. de Klerk he was under a lot of pressure to take Libertas for himself, as it was seen as the residence of the national leader. "No sooner had we become used to this idea than he informed us that he was now under pressure from his senior colleagues to use the Presidency for other purposes."

The de Klerks were then given Overvaal, a house that had been used by provincial administrators. The Department of Public Works agreed that it need substantial refurbishing. But Mr. Mandela insisted on seeing for himself.

"The final humiliation that I had to endure in the saga of the official residence was when President Mandela insisted on personally inspecting Overvaal to satisfy himself that the refurbishment was, indeed, necessary," Mr. de Klerk wrote.

Mr. de Klerk resigned from the coalition government in 1996, shortly after South Africa adopted a new constitution. For a time, he tried to remake his National Party into a multiracial organization, but with little success. He retired from politics in 1997.

The autobiography is to be published by MacMillan in England. The publicity director for the book in South Africa, Adrienne Antonie, said there were no plans yet to publish the book in the United States.

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## EUROPE

## In France, It's Normal, Everyone Does It - They Call It a 'Greve'

By Charles Trueheart  
Washington Post Service

PARIS — Last week was nothing special in France. Schoolteachers in a half-dozen Paris suburbs went into their second week without working to protest violence in the schools and meager resources. Air France mechanics carried out a partial work stoppage at the Paris airports to express their displeasure over the terms of the new mandated 35-hour workweek. Bus drivers in several southern cities stopped driving to protest working conditions.

Pig farmers in Anjou demonstrated about low pork prices. Jobless protesters demonstrated in front of government offices seeking a \$600 bonus in their unemployment checks.

The French are accustomed to all this and worse. In the last year, truckers blocked highways, workers shut down the rail system and bus drivers in major cities stayed home to protest hoodlums and vandals on their buses. Air France pilots disrupted the opening of the World Cup soccer tournament with a strike. Students marched en masse to lambaste the state of their schools. Teachers stopped working to emphasize

the same thing. Not to be forgotten, retirees marched to lament their pensions and social security.

Librarians do it. Journalists do it (to rescue their big tax breaks). Doctors and dentists do it. Ski instructors do it (to shake their fists at the lack of snow). Internet users do it (to protest high phone connection rates). Cabbage growers and Cognac makers do it. Even Eiffel Tower elevator operators do it.

The greve, or strike, and the *manifestation*, or street demonstration, are so much a fact of accepted daily life in France that Paris's morning newspapers publish a map of zones to avoid because people are marching in the streets, or because

trains or subways are out running. One analyst recently put the annual number of strikes and other protests at 10,000, but they probably are uncountable.

"In Europe today, only in France do we accept the loss of billions of francs and blocking people from going to work or going home," said Philippe Seguin, head of President Jacques Chirac's center-right party. He is among the few who are raising questions about France's devotion to the nearly absolute right to strike, and the price the country pays in economic competitiveness for this indulgence.

After another autumn of strikes, Mr. Chirac made a proclamation mention-

ing the need to ensure "minimum service" in public transportation and "effective procedures for preventing strikes." A poll by the IFOP agency a few days later showed that 82 percent of the public in agreed.

But this was a red flag. Mr. Chirac's modest suggestion was cold-shouldered by the Socialist-led government and many prominent people who share its thinking. The Communist leader Robert Hoe called it "a profound retreat from the democracy of the workplace" and a "fundamental liberty of the republic."

The spontaneous public revolt, seemingly at odds with the stereotypical authority-respecting, crisply maneuvered French temperament, has an ancient pedigree.

Modern French history has been shaped by public protests that went further than anyone had expected. The revolution of 1789 and the years of civil terror that followed, the revolutions of 1830 and 1848, the Paris Commune of 1871 and, most recently, the upheavals of 1968, all have contributed to a sense that channeling public aggression in the street is an accepted, even an obligatory, first step in negotiating change.

"This is how we make ourselves heard. This is how they know what we want," explained a strike organizer on French television last autumn.

He was right. The habit of protest and work stoppage is addictive because the powers that be have a healthy fear that things will get out of hand. And the bosses, notably those in the government, regularly, almost predictably, capitulate in the end. "Under universal suffrage, you need at least 50 percent," said Emmanuel Todd, an anthropologist. "But in the street, a millio is enough."

Former Prime Minister Alain Juppe set the bar a little higher when he said in 1995: "If 2 million people want to take to the streets, then my government would not survive." They did, and ultimately, it didn't.

That fateful prediction came during the most remarkable recent example of street power, when a strike by public-sector transportation workers over retirement conditions grew into a virtual insurrection that froze the machinery of workday France for three weeks and permanently crippled Mr. Juppe's government.

What was notable was not the huge numbers of strikers, nor the millions of French citizens who had to rise at 4 A.M. to walk several hours to work. What was notable was the extraordinary public support, in poll soundings, for the comfortably paid workers who had caused the massive cost and inconvenience.

Stephane Rozes, an opinion analyst, says popular sympathy for any job action or public protest is explained by a shared sense of entitlement, a defense of acquired rights and benefits. It is the despair of reform-minded French politicians and the fodder for critics of the French system, but it reflects France's deeply felt egalitarianism, he said.

Strikes and demonstrations may seem so frequent as to constitute routine, but actually their number is declining. The number of strikes these days is about a tenth of their number 30 years ago. And the number of workdays a year lost to strikes, as computed by the Organization for Economic Cooperation and Development, was 324 in 1997, a year when the United States lost 4,497 days to strike actions.

## BRIEFLY

## Italy Permits Kurd To Leave Country

ROME — The government declared Sunday that it had closed the case of a Kurdish rebel leader, Abdullah Ocalan, who was allowed to leave the country despite Turkey's protests. The government insisted it had dealt with the delicate issue in exemplary fashion.

Turkey denounced Italy for having allowed its most wanted fugitive to leave the country a free man, and it vowed to pursue the outlawed Kurdish Workers Party chief wherever he went.

"An ugly story has finished," Foreign Minister Lamberto Dini told the newspaper La Repubblica.

"And when all is said and done, it has finished in the best way possible," Mr. Ocalan was arrested Nov. 12 on a German warrant but was freed after Bonn withdrew its extradition request out of fear of unrest in Germany's Turkish and Kurdish communities. (Reuters)

## Vials Are Recalled Over Infant Deaths

BRUSSELS — A German pharmaceutical company has recalled thousands of vials labeled as glucose after two premature newborns were given a lethal injection of potassium chloride instead of the harmless sugar solution.

A university doctor reported Sunday that the company, B. Braun Melsungen AG, was involved in a similar medical scandal 12 years ago. Police will investigate that claim in the next few days. A European alert to hospitals was sent out Saturday after two babies died within two days at a hospital in Leuven, Belgium. They went into cardiac arrest after receiving a solution from a bottle marked 5 percent glucose.

It was after the second child died that doctors checked the contents of the bottle. (AP)

## Paris Presses Bonn On Nuclear Waste

PARIS — France raised the stakes in a looming nuclear-waste dispute with Germany on Sunday by saying that official agreements called for the payment of damages if Bonn broke waste-reprocessing contracts.

Jean Soryta, head of the reprocessing company Cogema, said the accompanying agreements were as valid as the actual contracts and said France would demand "substantial compensation" if Bonn scrapped the long-term deals as it withdrew from previous plans to expand nuclear power.

Those accords, published in the Official Journal on Aug. 17, 1990, after the contracts, have the force of a contract, he said.

"The two governments clearly stated they would not create any obstacles to the execution of the contracts." (AP)

## Ulster Peace Will Hold, Sinn Fein No. 2 Assures

By James F. Clarity  
New York Times Service

DUBLIN — Martin McGuinness, the chief negotiator for Sinn Fein, the political wing of the Irish Republican Army, said Sunday that the growing crisis in the Northern Ireland peace effort would be over by the end of March, in time for the British government to return home-rule powers to the province.

The Northern Ireland Assembly, a mix of officials of the Protestant majority and the Roman Catholic minority, is to begin debating on Monday the agreement reached by its leaders last month on the new political structures for the province. The leaders have set Feb. 15 as a deadline for approval. That would give the British and Irish governments time to change their laws to permit the transfer of power by the middle of March.

Mr. McGuinness, the No. 2 official of Sinn Fein, said the impasse would be ended by mid-March and that his party would by then have ministers taking part in the new government. The province has been governed directly from London since 1974.

But, significantly, Mr. McGuinness did not, in an interview on BBC radio, offer a specific solution to the problem that has impeded the implementation of the Belfast agreement, approved in the spring, that is to give the province's Catholic minority more power in the North and give the Irish Republic more influence in Northern affairs. That issue is the disarmament of the IRA.

But he did call for an end to the "punishment beatings" by Catholic republican and Protestant loyalist vigilantes in the North. Typically, the vigilantes shoot in the legs or knees people who they say are criminals, which often involves Catholics shooting Catholics, Protestants shooting Protestants.

The crux of the issue is that Sinn Fein insists it is entitled to two ministers in the new cabinet-like executive that is to be formed in the Northern Ireland Assembly. Gerry Adams, the Sinn Fein president, argues that the IRA weapons have been effectively decommissioned since the paramilitary group began a cease-fire 17 months ago. But the Protestant unionist first minister of the Assembly, David Trimble, insists that some IRA disarmament must begin be-

fore Sinn Fein may take the ministerial posts.

Officials here in the Irish Republic and in the North are hoping that the IRA will find a way to make a gesture toward disarmament, not necessarily the actual surrender or destruction of weapons, that will allay Protestant fears that the IRA has not permanently abandoned violence.

But in its New Year's message, the IRA stood by its refusal to disarm and hinted, in the view of many officials, that it could return to violence.

Further anxiety arose when the Northern Ireland police said last week there was no sign that the IRA was preparing to disarm and that IRA splinter groups were expected to make terrorist attacks like the one that killed 29 people in August in the town of Omagh.

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No other party has made comparable efforts to win support in the upcoming election, intensifying speculation that



**MASKED ANGER** — Protesters opposed to General Augusto Pinochet wearing masks at a rally Sunday in London. Judge Baltasar Garzon of Spain will attend a hearing Monday at the House of Lords regarding his requested extradition of the former Chilean dictator.

## Ecevit Takes Office Ahead of Elections

By Stephen Kinzer  
New York Times Service

ISTANBUL — After easily winning a confidence vote in Parliament, Bulent Ecevit took office as prime minister Sunday and pledged "to take Turkey smoothly to elections on April 18."

It is still considered possible, however, that powerful military commanders will pressure Parliament to postpone the elections. Public-opinion surveys suggest that the Islamic-oriented Virtue Party remains the country's strongest party, and the commanders want to prevent it from gaining more power.

Throughout the monthlong Ramadan holiday that began in late December, campaign workers from Virtue canvassed poor neighborhoods across the country, seeking support and distributing food and clothing.

In boroughs of Ankara and Istanbul that are governed by Virtue mayors, throngs of people assembled each day at sundown, when Muslims break their Ramadan fasts, for free meals provided by their boroughs.

No other party has made comparable efforts to win support in the upcoming election, intensifying speculation that

Virtue's popularity may be growing.

The military, which opposes any increase in the role of religion in public life, orchestrated a campaign that led to the collapse of the last Islamic-led government in 1997. Commanders have made it clear that they will oppose Virtue's participation in the next government even if it emerges from the election as the country's strongest party.

The military issued two statements last week underlining its opposition to Islamic political power. One of them, contained in a text prepared for cadets, asserted that "a new war of national liberation must be undertaken with determination against Islamic activism that threatens the Republic."

The other statement, a 14-page position paper distributed to the press, said: "Our democracy will be strengthened if political formations that will destroy democracy by abolishing secularism are banned. No democracy should be obliged to allow a political formation that uses democratic means to destroy it."

These statements stirred a ripple of reaction in some circles. Strong criticism of the military can be punished by fines and prison terms, but Tansu Ciller, a conservative political leader who is

bidding for Islamic votes, said it was not necessary for commanders "to be issuing statements every two days."

Mrs. Ciller and her bitter rival on the center-right, the departing prime minister, Mesut Yilmaz, whose government collapsed Nov. 25 in a corruption scandal, lent their support Sunday to Mr. Ecevit. With votes from their supporters, he won the confidence vote by a margin of 306 to 188.

Both Mrs. Ciller and Mr. Yilmaz hoped to win political advantage from helping Mr. Ecevit become prime minister, although he is a lifelong leftist. Mr. Ecevit, 73, is also one of the patriarchs of Turkish politics. He won his first election to Parliament in 1957 and headed three governments in the 1970s.

One of his immediate challenges will be to find enough hard currency to make large foreign debt repayments in the first quarter of this year. He must also confront eroding public confidence in the banking system.

In foreign affairs, Mr. Ecevit, under whose leadership Turkey sent troops to Cyprus in 1974, is likely to maintain tough Turkish stands toward Cyprus and the Kurdish insurgency in southern provinces.



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1. *Journal of the American Medical Association*, 277: 1005-1006, 1997.



# INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Not High Crimes

On Saturday, the House impeachment managers shifted their arguments from the facts of President Bill Clinton's misdeeds to the central question of whether, based on those facts, there is a constitutional basis for removing him from office.

The key assumption of their constitutional theory had emerged during the presentation of the evidence against Mr. Clinton on the counts of perjury and obstruction of justice. In essence, the prosecutors argue that perjury and obstruction, while not named in the U.S. Constitution, are so serious that they are tantamount to the offenses that are specifically named, those being "treason, bribery, or other high crimes and misdemeanors."

Representative Steve Buyer insisted on Saturday that "perjury and bribery are side by side" as offenses that meet the constitutional standard. He reminded the senators of Representative Bill McCollum's earlier presentation of a chart based on the federal sentencing guidelines. It showed that under a point system used by federal judges, perjury and obstruction of justice outrank bribery in seriousness. Therefore, Mr. McCollum argued, the president's offenses belong in the same category as the offenses stipulated in the constitution, "and he should be removed from office."

These presentations illuminate the heart of the case. In examining it, we can see how it is possible to embrace two propositions that appear in conflict on the surface.

Like the House prosecutors, we believe that Mr. Clinton lied under oath and tampered with the legal process. But we also contend that he should finish his term because his failures are not of a scale to qualify under the constitution as high crimes or misdemeanors.

While we are not fans of the White House legal team, it framed the constitutional question correctly in its trial memorandum to the Senate. Removal

of the president should be reserved for "offenses against the system of government," such as a serious political crime or an assault on constitutional order or an act of malfeasance or abuse bearing directly on performance of official duties. Here Mr. Clinton is saved by the lowness of his conduct. His offenses lack the requisite constitutional grandeur.

In regard to scale and proportionality, the framers clearly gave great weight to the continuity of government. They were reluctant to disrupt the normal electoral rhythm except in the most extreme cases. The White House memorandum argues that the Senate must ask whether the alleged misconduct is "so malevolent to our constitutional system that it justifies undoing the people's decision" and inducing a "national trauma." Mr. Clinton's lawyers say these charges do not rise to that standard, and we agree.

In the end, it is electoral continuity that trumps the House prosecutors' argument that perjury is perjury and that equality before the law can be asserted only by removing Mr. Clinton.

Our view remains that he can be — indeed, must be — punished through censure in a way that affirms the primacy of the law. But removing him on these offenses sacrifices something too important — the orderly transfer of power on a four-year schedule — to accomplish a condemnation that can be delivered through other means.

Part of the genius of the constitution is its far-sighted embodiment of principles of balance and proportionality. Read closely, it clearly demands that for systemic threats to the state, rather than the personal failings of a reckless individual. In the end, it is possible to believe every allegation against Mr. Clinton and still believe it better to let his presidency dwindle away than to distort the constitution.

—THE NEW YORK TIMES.

## Brazil on the Edge

The painful thing about Brazil's latest financial anguish is that it represents the fire for which the International Monetary Fund's \$41.5 billion rescue package of last November was meant to be the fire wall. The IMF was trying to do something new and bold: to contain a crisis before it became full-blown. Brazil, as the ninth-largest economy in the world and the pace-setting economy of Latin America, qualified as a key country. The world was watching. But last week the whole IMF program — threatened to come apart.

The purpose of the IMF was to support Brazil's currency, the real, and provide the time and space in which to right the economy by trimming subsidies and collecting revenues due. But Brazil's Congress balked on financial reform, and an important local state stopped payment on its \$15 billion of debt to the central government. This was enough for Brazilian and foreign investors to start pulling out their money. A currency devaluation followed.

So far, in the financial crises that began in Thailand 18 months ago, the

United States with its buoyant economy has paid a relatively modest price. But a collapse in Brazil, its 11th-largest market, coupled with contagion in Mexico, Argentina and elsewhere, could raise the price.

This prospect is heaving into view just as the first victims of this cycle of devaluation and debt default, Thailand and South Korea, profess to see a light at the end of the tunnel.

They got there not without an international hand but mostly by strenuous applications of responsibility on their own. This is the model that Brazil must follow.

No one underestimates the social pain, not to speak of the political costs that President Fernando Henrique Cardoso must bear. But the IMF's preemptive bailout represented a harsh but, in the circumstances, fair measure of what the United States and others could be expected to do. The dangers of a deepening and spreading of the Brazilian crisis cannot keep the IMF from helping pay off the undrawn \$30 billion in the IMF package on Brazil's performance from this point on.

—THE WASHINGTON POST.

## Mishandling Pakistan

It was always bizarre that the United States held up the F-16s intended for Pakistan, a friendly country whose defense has been an American strategic concern for half a century. The sale of 28 combat jets, intended as a contribution to a regional military balance between India and Pakistan, had been agreed on a decade ago. Pakistan had paid upward of half a billion dollars, including \$50,000 monthly for maintaining the planes at an air base in Arizona. The Pakistanis had resolutely embellished their utility to American policy by facilitating the aid that ousted the Soviets from Afghanistan. What happened, of course, was that American nonproliferation policy got in the way.

Pakistan, until last April, had not tested a nuclear bomb, although its arch South Asian rival India had. The U.S. Congress, in a well-intentioned but careless flurry of nonproliferation feeling, simply set aside the concerns listed above and said in effect to Pakistan: If you go nuclear we will cut off military exports. Pakistan, driven by its deep distrust of Indian intentions,

went ahead anyway. Finally, President George Bush had no choice under the law but to withhold the F-16s.

The pity of it is that American nonproliferation policy had an effect exactly opposite to the one intended. As enforced by a reluctant Congress on successive administrations, the policy actually contributed to proliferation. Holding up the aircraft weakened Pakistan's conventional military capabilities and hardened its determination to move along the nuclear spectrum. Similarly, the holdup contributed to inclining Pakistan to diminish reliance on uncertain military suppliers such as the United States and to tighten military supply links to countries, such as China, less faithful to their nonproliferation pledges.

President Bill Clinton has now decided it was "not right" to keep both the money and the aircraft, and reimbursed Pakistan. That may take care of the financial account but not of the more important account in which American credibility, in nonproliferation matters and in alliance matters, is stored.

—THE WASHINGTON POST.

# A Time of Governmental Gridlock in Washington

By David S. Broder

WASHINGTON — It is hard to imagine how Bill Clinton can push his stratospheric job approval ratings much higher. But on Tuesday, with his State of the Union address, he has a good chance to succeed.

Judging by the samples from his goody-bag that he has been handing out in speeches in the past weeks, he will once again promise Americans not only a balanced budget but an array of attractive mini-initiatives that his polling says are sure winners with the public.

The formula worked well for him last January, when a huge television audience tuned in to see how he would fare on Capitol Hill just days after the sordid Monica Lewinsky charges became public. He was never more poised or persuasive, and his promises were a hit.

This year the circumstances are even more damning, as the Senate continues the impeachment trial. But it is the Republicans who are feeling the pressure. If they boycott the speech, they risk being thought silly. If they attend but do not give him the usual welcoming ovation, they may look petty and discomfited. If they join the Democratic cheers, they look like hypocrites.

All this will make it seem as if the

president is in control. But appearances are deceiving. Mr. Clinton may be the master of the opening night ceremony, but his troubles have taken a toll. This is a weakened presidency.

Last week, Congressional Quarterly, the authoritative, independent news service, looked back at the 1998 session (the first year of Monica) and reported: "Even without the votes that made him the first elected president in U.S. history to be impeached, Clinton's legislative year has to be scored as a failure, if the goal was to advance a policy agenda. Virtually all his major proposals died."

Ever since Dwight Eisenhower's first term, Congressional Quarterly has calculated the percentage of roll calls on which the president's position has prevailed. In 1998, Mr. Clinton succeeded on 51 percent of the 154 House and Senate floor votes on which he took a position. It was the sixth-lowest score in the last 46 years. It was also lower than the sixth-year scores of Eisenhower and Ronald Reagan, who also had opposition Congresses, and even

lower than Richard Nixon's score in 1974, the year he was forced to resign. White House aides point out that in the end-of-the-session bargaining over an omnibus appropriations bill, Mr. Clinton outmaneuvered the Republican congressional leadership and rescued (with a single vote) several of his domestic and foreign initiatives.

But the big items in his 1998 State of the Union address, the ones that won public applause, were scuttled: a major anti-tobacco initiative; a patients' bill of rights; expansion of Medicare to include younger people; campaign finance reform; a boost in the minimum wage; fast-track trade negotiation authority. Most of those will be back on the agenda this year, but the prospects appear dim.

The 1997 balanced budget agreement could turn out to be the last significant Clinton legislative achievement. The flip side is that Mr. Clinton has managed to stymie the Republican Congress from pursuing its agenda. As Thomas Mann of the Brookings Institution observed last week, "a weakened presidency has not produced a stronger Congress." Indeed, during the impeachment battle, the Republicans have seen their House majority

shaved, their standing with the public slump, and Speaker Newt Gingrich and Speaker-designate Bob Livingston forced into resignation.

Last year, Mr. Clinton thwarted their push for broad tax cuts by insisting that the budget surplus be saved until Social Security's future is ensured — something that he will attempt to accomplish this year. He used his veto pen to block Republicans' efforts to enact school vouchers, restrictions on abortions and other parts of their social agenda.

What we have then is a standoff, a form of gridlock characterized by struggles between a weak president and a fragile congressional majority.

Mr. Mann and two Brookings colleagues, economist Robert Reichbauer and foreign affairs scholar Richard Haass, argued at a seminar last week that in a generally benign domestic and international environment, the United States has suffered no irreparable damage from this situation.

But "caretaker" government has a cost: in opportunities lost, problems left to fester and needs that go unmet. That is a far cry from the kind of government Mr. Clinton set out to lead.

The Washington Post.

## After This Stupefying 'Trial of the Century,' Beware Those Geese

By Maureen Dowd

WASHINGTON — By the time we got to Bob Barr, I had become desperate. I could only imagine how the senators felt about having to sit idly through these excruciating recitations of the obvious and the irrelevant.

There is an undeniable appeal to the notion of enforced silence on the usually prolix senators, but the Trial of the Century is proving less than scintillating. It suddenly seems essential that we Americans figure out a way never to have to go through such a ludicrous, stupefying display again.

The Republican House managers were acting like ugly Americans abroad who think that if they talk loudly and slowly, foreigners will understand them.

We expected Republican congressmen to explain themselves, but they just kept repeating themselves, waving pointer pens, brandishing charts and helpfully pointing out to

100 of the top elected officials in the land that the list on the first two pages of the House impeachment report was called "The Table of Contents."

So what did we learn after these two "historic" days? Bill Clinton lied. He was alone with Monica Lewinsky and played with her sexually. He coached Betty Currie and enlisted Vernon Jordan in a job search for his playmate. He has a complicated understanding of the word "is." So far, the Republicans have not pointed out that the earth is round, but the proceedings are young.

Kenneth Starr and the rabid Republicans keep trying to present the president's behavior as a deep, dark plot. But the more you hear them tell it, the more the business sounds like what it was: a powerful but weak-willed guy scrambling but not to get caught in a deeply humiliating mess. This is not

a conspiracy. This is a cliché. They have made the case that Mr. Clinton is selfish and promiscuous. They have not made the case that two elections should be overturned.

The senators have been sworn in as jurors, but the country has already nullified the jury. Americans think Mr. Starr's investigation was ugly and the House Republicans' impeachment was mean.

The House managers have been prattling about how no man should be above the law, as they try to cloak politics in the sanctity of a judicial proceeding. Representative Bill McCollum of Florida even aimed his pointer at a chart of federal sentencing guidelines for bribery, witness tampering, obstruction of justice and perjury.

Any pretense of judiciousness was lost when Republican senators acting as jurors and Republican House members

acting as prosecutors met privately to plot trial strategy.

Listening to Mr. McCollum say "genitalia" three times, "oral sex" three times and "breasts" four times in the well of the Senate, seeing the cascading confessions of Republicans about illegitimate children and affairs, actually made me nostalgic for what the good old boys keep telling me were the good old days, when journalists looked the other way as politicians frolicked.

Sure, those journalists were delinquent. But we are no better off now that we get all the gory details, and no real perspective. Our sexual auto-da-fé, in which every revelation about a politician's private life becomes ammunition in the sordid partisan wars, is enough to make the benign neglect of yesterday look like a democratic kind of discretion.

Now we have a soft-porn nation, where New York hotels feature an adult movie spoof of

the Clinton White House called "White House Interns."

The surflet of sex comes with a surfeit of sanctimonious pseudo-oratory, as when Mr. McCollum rhapsodized about "a beautiful panorama" he saw on his drive to the Capitol.

"Just before I got to the 14th Street Bridge," he told the senators, "I saw this incredible number of geese, I guess in the hundreds, that were lined up. They looked like they were an invading army. And I thought of the awe of this, the beauty of it, the awe of Mother Nature, the awe of God. And I thought also of the awe of the responsibility to our children and our grandchildren about what we are commencing today. This is an awesome undertaking for all of us."

The Republicans had better beware. What is good for the goose is good for the gander, and besides, those geese might come home to roost.

The New York Times.

# Globalization Is at Work in Brazil and on the Internet

By Thomas L. Friedman

WASHINGTON — Some might tell you that 1999 will be remembered as the year of Clinton, Starr and Lewinsky. Wrong. This remarkable year will be remembered a decade from now as the year of the Amazon — the cyber-river and the real river, Amazon.com and Amazon country, also known as Brazil. Those two rivers are flip sides of the same coin, and the coin is globalization.

The incredible run-up in the stock price of Amazon.com and the incredible run-down in the stock markets of Brazil are both reflections of investors trying to

figure out what companies and countries will be worth in this new era of globalization.

In the case of Amazon.com, which sells books and CDs over the Internet, some people think it is worth \$5 a share and some think it is worth \$500. How can that be? Well, investors who have rushed to buy the stock have the basic trend right.

The trend is that the Internet is going to define how we communicate, how we invest and how we conduct commerce.

As a result, I believe there are

going to be just two kinds of companies — Internet companies and anti-Internet companies.

Internet companies will be those whose business can be conducted over, or greatly enhanced by, the Internet. This is everyone from booksellers to consultants.

Anti-Internet companies will be those whose businesses either cannot be conducted on the Internet — giving haircuts or making steel — or will benefit from the fact that the more people are home alone with

their Internet, the more they will want to get out and touch something, smell something, taste something, feel something. This includes Starbucks, movie theaters, amusement parks and shopping centers.

Whether Amazon.com is actually worth \$148 a share before it has ever made a dime of profit depends on how you see the future. The Amazon.com bulls believe that there is a huge race going on right now for everyone's credit card. The race is between a number of major online retailers — AOL, Amazon, Yahoo, Excite, etc.

The assumption is that all of these sites will eventually become full service on-line shopping centers that will sell everything, and that you will give your credit card number to one or two of them — where you will do most of your shopping — but to fewer than five of them. Therefore, if Amazon.com is one of those winning sites, its profits will be enormous. It will be an on-line shopping mall for the world.

The Amazon.com bears (and I am one) believe that the problem with on-line retailing is that the barriers to entry are so low — with \$100,000 I could start a rival. Amazon.com tomorrow — that there will always be one too many competitors making sure that Amazon's profit margins never get as big as people project. Amazon.com offers 30 percent off almost every hardcover. So Barnesandnoble.com matches that, and then Buy.com comes along and offers best-sellers at 50 percent off.

Buy.com's founder told USA Today he has no intention of ever making money selling books, but just wants to build up volume to sell ads.

As for Amazon.com, it has been trying to cut its budget and streamline its economy to make itself an attractive site for global investors. Brazil wants to be a major economic power but it does not have the savings or the technology to reach the first rank, so it needs the global markets.

But to make Brazil attractive to global investors requires some painful internal reforms and a shrinking of the country's social safety net, which is proving politically explosive. And, Brazil knows that if it does not do what the global herd demands, the herd will just move to Thailand or Mexico.

What Amazon.com and Brazil are telling us is that the next phase of globalization is going to be a real bear. It is going to squeeze the profit margins of every company that does business over the Internet, which will be great for consumers and a terror for producers. And it is going to squeeze the politics of developing countries even tighter, which is going to be tough on their citizens and a terror for their politicians.

Thursday's 228-point drop in the Dow, because of the economic turmoil in Brazil, is just a small reminder that life on the real Amazon still matters, and it can, and will, affect life on the banks of Amazon.com.

The New York Times.

## Really Too Busy to See Mr. Wei?

By Jim Hoagland

WASHINGTON — A year ago, the Chinese government forced Wei Jingsheng into exile in the United States. In that time China's most heroic campaigner for democracy has met the foreign ministers of France, Germany, Canada and Sweden, the presidents of the Czech Republic and Taiwan, and many other pashas of international politics.

But when Representative Nancy Pelosi recently asked Mr. Wei how many Clinton administration officials have taken the trouble to seek out his views on the growing crackdown on dissent in China, or ask what they could be doing to advance change there, his reply appalled the California Democrat. The answer: None.

Not Madeleine Albright, not Al Gore, not Sandy Berger. Not even Harold Koh, assistant secretary of state for human rights. Mr. Koh instead spent two days last week chatting with and lending legitimacy to visiting Chinese officials who justified the imprisonment and mistreatment of their citizens for joining any political grouping other than the Communist Party.

Mr. Wei says his only brush with officialdom in America was a well-publicized session with President Bill Clinton shortly after his release from 18 years in prison for the "crime" of advocating democracy in China. Mr. Wei, 48, was released in November 1997, on condition that he accept irrevocable exile in America. He is a visiting scholar at Columbia University in New York.

Since his brief meeting with Mr. Clinton, he has been a nonperson for officials who claim to champion human rights in China and elsewhere. With the charity that only people who have been wrongly persecuted most of their lives can summon, he attributed the blind eye he gets from Washington to mis-

guided pragmatism, not hypocrisy or cynicism.

"They may want to avoid controversy with the Chinese Communists, or avoid coming under criticism from them," he told me on his visit to Washington on Jan. 8 to testify before the House Committee on International Relations. "They may feel they can accomplish more that way. Or they may just be too busy, as I have been told when I asked for meetings."

But, Mr. Wei continued, they will get only part of the story and little of the reality of China that way.

His case illustrates how quickly U.S. administrations, whether Democratic or Republican, capture and limit the vision of those who must carry out the essential demand of proving that the president and the policy are always right.

Here is a Democratic administration, nominally committed to enlarging democracy, playing up meaningless governmental contacts on human rights with Beijing while it neglects opportunities to learn from and show genuine support for the dissidents.

It is much easier to deal with fellow bureaucrats, however odious the regimes they represent, and to pretend that change flows from government, than it is to deal with unpredictable and inconvenient democrats like Mr. Wei or Alexander Solzhenitsyn, who force real change from below.

In our conversation, Mr. Wei made this telling point: "The administration says it is working with the government in Beijing to devise village election procedures. Why not work with the democratic movement in China and give it a role in devising elections?"

You know, there are brave lawyers in China who support political prisoners with their own funds and careers. But the administration and U.S. legal organizations channel their contacts and help through the official Chinese lawyers' association. Those lawyers take the money and do nothing for it."

Similarly, the State Department is preparing to release its annual report on human rights violations abroad later this month without once having consulted Mr. Wei.

Mr. Koh, an Asian-American professor of international law, has been in the thankless human rights job at State only since November. He said he did not think Mr. Wei had asked for a meeting with him (Mr. Wei says he did) and he dismissed as "ridiculous" the notion that he would cut the dissident. After our conversation, Mr. Koh scheduled a meeting with Mr. Wei for Thursday.

Mr. Koh refused to say if he thought Mrs. Albright should see Mr. Wei at some point. And the expectation of the Clintonites that meetings with them should be initiated by an exile who speaks no English and is only recently out of a Beijing prison is a curiously passive approach for people who have blazed their own trails to prominent political positions.

Let us hope that there is a more profound human reflex at work here than misguided pragmatism or blatant cynicism.

Could Mrs. Albright, Mr. Gore or the others continue to believe in or carry out their president's morally bankrupt policy on China if they did spend a lot of time with Mr. Wei and the other dissidents? They have to wonder, in fact, if they could look themselves in the mirror every day. A selective blind eye can be a useful servant of ambition in Washington.

The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1899: Journalism Loss

PARIS — [The Herald says in an Editorial:] There are few men in American journalism who have had such a long and varied experience as John Russell Young, beginning in the days before the war and extending to within a short time of his death; for, although Librarian of Congress, he still loved occasionally to take up his pen and enter the arena of polemics, describing as few could do it some breezy scenes in a party convention or with a single stroke bringing into bold relief the characteristics of some political leader. He was a terse and snappy writer, but always a courteous though firm opponent.

### 1924: Leave a Message

PARIS — An innovation that will be particularly pleasing to Americans residing in Paris is now to be introduced by the

telephone service, whereby absent subscribers will be able for a small fee to have short messages taken from people ringing them up or such people put through to friends or agents of the absent subscriber.

### 1949: Capitalist Art

MOSCOW — Eric Johnston, who came here to sell Hollywood films to the Soviet Union, is now depicted as an unsavory character. While in Moscow, Mr. Johnston negotiated the sale of twenty motion pictures to the Soviet Ministry of Cinematography. "Soviet Art" has now denounced Mr. Johnston for various statements he made. It tied Mr. Johnston into the plans for world domination which "American monopoly capital" is accused of entertaining. The weekly said that Hollywood industry is being used as a major ideological weapon in executing these plans.

## INTERNATIONAL Herald Tribune

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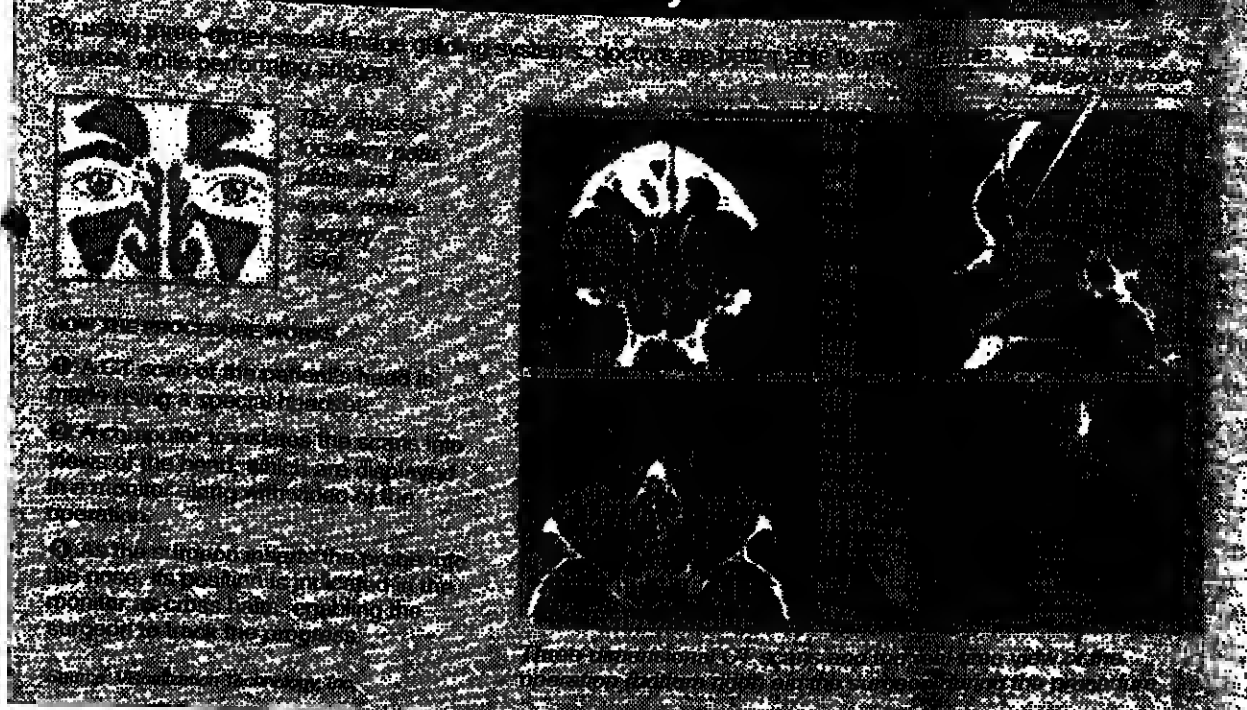
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S.A.S. au capital de 1.240.000 F. RCS Nanterre B 332021126. Comptes Rendus Publiques No. 61337  
© 1999, International Herald Tribune. All rights reserved. ISSN: 0099-8222.



## HEALTH/SCIENCE

### Mapping Dangerous Territory



The New York Times

## Advance Against Sinus Disease

### The 'Stealth Station' Makes Surgery at Edge of the Brain Safer

By Gabrielle Glaser  
New York Times Service

**B**OSTON — It is early on a winter morning at the Massachusetts Eye and Ear Infirmary here, and Ralph Metson is executing what has been until now one of the most demanding, difficult and dangerous procedures in the treatment of sinus disease.

With a variety of drill bits, he bores into bone blocking the frontal sinuses, separated from the brain by one of the thinnest bones in the body. One infinitesimally small slip by Dr. Metson could result in leaked spinal fluid, impaired vision or lost sense of smell for the 58-year-old patient.

Yet Dr. Metson, a clinical professor of otolaryngology at Harvard Medical School, seems completely relaxed as he calls for larger bits and suction, operating less than a millimeter from the brain. His ease, on this day at least, is bolstered by a new tool that makes this type of operation much less risky.

Until recently, otolaryngologists performing difficult sinus surgeries had to inch a lighted tube called an endoscope to guide them through the twisting sinuses. For guidance, the only map was a CT scan, which the surgeon could glance at while trying to navigate by feel, through the walnut-size cavity above the eye; near the olfactory bulb, the optic nerve and the brain.

Now, Dr. Metson is aided by a machine called the "Stealth Station,"

which follows a map of a patient's sinuses. It is one of several such machines in use in the United States. "This makes surgeons feel so much better," Dr. Metson said. "Before this, you couldn't ever be really sure. You didn't always know where you were going."

The monitor atop the Stealth Station, a dishwasher-size box, shows the CT scans of the patient, as well as a computer image of his face. On the scans, the sinuses are clearly outlined, and Dr. Metson's surgical probes are represented by red crosshairs. The patient's head is held in place by a curved headset outfitted with light-emitting diodes, or LEDs, that transmit infrared rays that are captured by small cameras in a bar above the operating table. Dr. Metson's instruments, too, are outfitted with LEDs. The Stealth Station tracks the placement of Dr. Metson's instruments with an .87-millimeter margin of error. A second monitor carries a magnified image transmitted by a tiny camera inside the instruments.

The product, developed by Sofamor Danek, a company in Memphis, Tennessee, is now sold by Xomed Inc. in Jacksonville, Florida, under the name of LandmarX. It costs \$160,000, and requires extensive training for surgeons already well versed in the use of endoscopes. But it can help offset the likelihood of complications in the most difficult cases. "A similar machine, called the Insta-Trak, made by Visualization Technology Inc. in Wilmington, Massachusetts, uses electromagnetic

transmitters to track the surgeon's devices. It is in use in 125 hospitals across the United States.

The patient today is among 37 million Americans who suffer from chronic sinusitis, an inflammation or infection, which has become the nation's most common long-term disease. Defined roughly as having three or more sinus infections a year, chronic sinusitis costs the nation an estimated \$2.4 billion a year in surgeries, office visits and medicines.

"It's an epidemic with enormous impact in this country," said Dr. Metson, who studies the subject extensively.

Like clusters of grapes, the sinuses surround the carotid arteries, as well as the optic and olfactory nerves. They are separated from the brain by a fragile bone called the lamina papyrea, thin enough to see through.

The purpose of the sinuses is not fully understood. Experts dispute whether they exist to equalize barometric pressure, regulate air temperature going into the lungs, or whether they simply evolved when humans began walking upright and needed a lighter head. When they function normally, the cilia of the sinus trap pollen, dust, viruses and bacteria and flush them out through the back of the throat to the stomach.

But when the sinuses are infected, they can cause problems. Bacteria from the sinuses can spread to the lungs, eardrums and even the brain. At the same time, diagnostic tools like CT scans and endoscopes also make identifying the disease easier.

## A Humbler Psychoanalysis

### The Relaxation of Neo-Freudian Orthodoxy

By Erica Goode  
New York Times Service

**N**EW YORK — Psychoanalysts, it would seem, have reason to be gloomy: These are difficult times for the couch.

Once the undisputed rulers of American psychiatry, analysts now stand at the margins of a field where drug treatments and short-term talking therapies predominate. Analytic patients are in short supply. Without insurance reimbursement, even those who still desire the four or five sessions a week typical of full-fledged psychoanalysis can rarely afford to pay for them.

In managed-care circles, analysis has become a synonym for treatment that costs too much and achieves too little. And the profession fares little better in the public forum, where Freud-bashing enjoys unflagging popularity as an intellectual sport.

Yet in the psychoanalytic community these days, there is little hand-wringing and only an occasional foray into nostalgia. In a field notorious for its insularity and resistance to outside critique, the threat of extinction has inspired a frenzy of self-examination and the urge to connect with the world at large.



Robert Pyles, president of the American Psychoanalytic Association, is a political activist.

The result is a retooled psychoanalysis that is humbler, more communicative, and considerably more tolerant than it has been since Freud first floated his revolutionary notions in Vienna. The rigid neo-Freudian orthodoxy that loomed large in American psychoanalysis has gradually given way to a gentler theoretical pluralism, and, in a major sea change, analysts are no longer required to have medical degrees.

In an echo of the early days of the profession, women are once again a strong presence, offering a feminist perspective on traditionally male-oriented theory. And the old figure of the silent, austere, authoritarian psychoanalyst is slowly being replaced with a new model who is just another human being and not averse to uttering a word or two.

Whether such shifts will succeed in rekindling interest and replenishing the dwindling supply of patients is anyone's guess. But they represent a new determination to stick around for the fight.

"This is a field that in its most vital aspects is changing, wants to change, and is trying to think about what it is and what it wants to be," said Kimberly Leary, associate director of the University of Michigan's Psychological Clinic and a trainee at the Michigan Psychoanalytic Institute. The presence of Ms. Leary — as a woman, a black and a psychologist rather than a medical doctor — at the annual meetings of the American Psychoanalytic Association in New York recently, in itself was proof that much has changed.

Even a decade ago, the yearly gatherings of the association, which was founded in 1911 by American followers

of Freud and remains the dominant psychoanalytic organization in the United States, were populated by gray-haired men in dark suits, the atmosphere one of sober formality. Discussions focused narrowly on technique and practice, with little acknowledgment of events in the outside world.

In contrast, the attendance roster at the recent meetings included many younger analysts, a large group of women and at least a few minorities. Panels addressed issues like race, adoption, homophobia and sexual abuse. Analysts spoke of their work in atypical settings: with baseball teams, in nursery schools, with police departments trying to combat community violence. And different theoretical perspectives — including the British school of object relations, Heinz Kohut's self-psychology and Lacanian analysis — were listed in the program. Yet perhaps the most striking difference was in how the analysts at the meetings talked about their interactions with patients.

"The degree of certainty in the way we talk has changed," said Marvin Margolis, a former president of the association. "We're a little more modest, more hypothetical about our interventions, and how we frame them."

Where once the analyst was seen as an authority who took charge of treating the patient's pathology, most analysts now describe the analyst-patient relationship as a collaborative endeavor, the patient a full partner. Many practitioners have abandoned the notion that the analyst should be an entirely blank screen, revealing no emotions or personal details.

And while most analysts embrace the fundamentals of Freud's "talking cure" — the power of unconscious images and fantasies to influence behavior, the importance of childhood experiences in

shaping development and the central role of transference, or the replaying of early patterns of relating to others within the analytic treatment — few adhere inflexibly to a unified theory. Instead, they practice a kind of utilitarian eclecticism, drawing upon different psychoanalytic schools as needed in the treatment of individual patients.

In any field, a transformation of this magnitude does not take place overnight, and the changes in Freud's "impossible profession" began long before the managed care revolution. In the 1960s, psychoanalysis, ascendant in psychiatry departments across the country, was hugely successful — and enormously overconfident. "We had a monopoly," said Arnold Richards, a New York analyst who is editor of the *Journal of the American Psychoanalytic Association*.

But by the 1980s there were increasing signs of malaise. In academic departments, psychoanalysis was rapidly losing ground to psychiatrists with a more biological approach to mental illness in the public arena, interest in Freud's legacy was declining.

Growth of the psychoanalytic association, which now has 3,200 members, about a third of the psychoanalysts in the United States, came to a standstill, while the average age of members rose.

One antidote to these complaints, many believed, would be an injection of new blood, and it came in 1988, when, in response to a restraint of trade suit by psychologists, a settlement overturned the psychoanalytic association's longstanding policy of restricting analytic training to candidates with medical degrees, opening the field to lay analysts.

Yet perhaps the biggest transformation in the way psychoanalysis views itself and its place in the world came with the arrival of new leaders, armed with a sense of urgency about the plight of psychoanalysis and a determination to do something about it.

**R**OBERT PYLES, president of the psychoanalytic association, is one example. Unlike his predecessors of a few decades ago, who prided themselves on a scholarly detachment and made no attempt to promote their profession's image, Mr. Pyles is a political activist.

He has broken down traditional barriers, reaching out to other mental health organizations like the American Psychiatric Association, and calling for "a new vision of ourselves as psychoanalysts of the 21st century." And with other leading psychoanalysts he is shepherding a variety of projects designed to increase public knowledge and broaden the field's influence.

"Ever since I was in training, this attitude of psychoanalysis having to exist in some isolated hothouse has driven me nuts," Mr. Pyles said recently. "I think it damn near killed us."

## The Tortoise and the Hare

By Nicholas Wade  
New York Times Service

**N**EW YORK — The tortoise and the hare, paired together in Aesop's fable, have been reunited by archaeologists in an ingenious index for measuring the growth rate of early human populations.

The index, based on the proportions of slow and fast-moving prey in ancient trash heaps, shows that from about 100,000 to 50,000 years ago the first human inhabitants of the east and north Mediterranean were extremely few, a mere handful of people who were probably dispersing from an ancestral homeland somewhere in sub-Saharan Africa.

The size of early populations figures in many discussions about the genetic and cultural evolution of early humans. The new finding is important because it confirms estimates derived on a quite different basis — from analyzing the DNA of living people around the globe — that the earliest human populations were extremely small. Geneticists have calculated, for example, that the early human population of sub-Saharan Africa

was once as small as 6,900 people.

The estimates, based on variations in DNA, are better than guesses but fall short of hard fact.

Mary Stiner, an archaeologist at the University of Arizona in Tucson, has now developed an alternative method of tracking early human population density. The method does not yield precise numbers but shows in a relative way how population density may have changed. She and colleagues at Hebrew University of Jerusalem and Harvard report their findings in the current issue of the *Journal of Science*.

Ms. Stiner's method is based on analysis of the bones of small prey animals found at Paleolithic sites in Israel and Italy. She and her colleagues find that slow-moving animals like tortoises predominate at the lowest level of the Israeli site, yielding to hares, rabbits and partridges at later periods.

The switch in prey was occasioned not by a desire for gastronomic variety, Ms. Stiner says, but rather by the fact that animals that were easier to catch were consumed first. Only as the tortoises and shellfish became scarce did the Paleo-

lithic people start to go after the more elusive prey. The ratio of slow to fast prey over time is thus a measure of the number of mouths around the campfire.

Tortoises, which were baked in their shells, are slow to reproduce and very sensitive to predation — a tortoise population will collapse when 7 percent have been eaten.

"People weren't damaging these tortoise populations, yet half of the total game brought to the site is tortoises," Ms. Stiner said. "The implication is that the number of people must have been very low."

The proportions of fast prey at the two sites shoots up, as if reflecting an increase in human population density, at around 44,000 years ago at the Israeli site and 23,000 years ago at the Italian site.

Ian Tattersall, a paleoanthropologist at the American Museum of Natural History, said Ms. Stiner's article was the first archaeological attempt he had seen to explain the issue of early population change. Henry Harpending, a population geneticist at the University of Utah, also said the article was "one of the first to get a grip on the subject."

## LANGUAGE

### Short Shrift for the Sobriquet?

By William Safire

**W**ASHINGTON — For most of the 20th century, it seemed the sobriquet was in decline. These nicknames of affection or derision, from the French slang *soubriquet*, "a chuck under the chin," to the political language of a previous era, from the *American Fabius* (Washington) to the *Machiavelli of Massachusetts* (John Adams) to the *Sage of Monticello* (Jefferson), American presidents sported these monikers. Jackson was *Old Hickory*, and Grover Cleveland was the *Man of Destiny* to some, the *Stuffed Prophet* to others. Teddy Roosevelt was the *Rough Rider*.

Then the long night of innocuous desuetude set in. Only in sports and crime were heroes and villains immortalized with sobriquets. Honus Wagner, the great Pittsburgh Pirate shortstop in the first two decades of the century, was called the *Flying Dutchman* for his speed and Germanic background (based on the 1841 Richard Wagner opera, "Der Fliegende Holländer"). According to Brenda Wilson and James Skipper Jr., making a case for socio-onomastics in the December 1990 *Names*, the *Journal of the American Name Society*, Honus Wagner was responsible for the nickname of his Pirate teammate John Barney (Dots) Miller.

When a sportswriter asked Wagner the name of the rookie trying out in the infield, the heavily accented Dutchman replied, "Dot's Milla." Miller proudly carried the nickname Dots through a 12-year career in the major leagues.

"There has been a change in cultural orientation during the past century," note the onomastic linguists, "from one where there was a sense of solidarity and common identity rooted in tradition and personal relationships. Military leaders tried to keep it going: from the Civil War's General Winfield Scott — *Old Fuss and Feathers* — to World War I's *Black Jack* Pershing, to World War II's *Old Blood and Guts*, applied to General George Patton.

Baseball in midcentury preserved the tradition: Babe Ruth's *Joe DiMaggio*, also known as the *Yankee Clipper*, and Stan (the Man) Musial. And today,

we have Mark (Big Mac) McGwire and Frank (the Big Hurt) Thomas. In football, Elroy (Crazylegs) Hirsch was succeeded by Jerome (the Bus) Bettis. You can find more sobriquets in popular music: Frank Sinatra was *Old Blue Eyes*, Billie Holiday was *Lady Day*, and Benny Goodman the *King of Swing*.

But it was in organized crime that the dwindling practice of awarding a title based on a quality best held on. A previous century's Billy (the Kid) Bonney and Jack the Ripper led to Scarface Al Capone and Frank (the Enforcer) Nitti. Thomas Kirkpatrick, president of the Chicago Crime Commission, sent me his latest report on leader profiles in the "Chicago outfit" once headed by Tony Accardo. It includes the new boss, John (No Nose) DiFronzo; his adviser, Joe (the Clown) Lombardo; and area boss John (Johnny Ape) Monteleone.

In recent years, sobriquets have been making their way back into politics, often based on modifications of first names: *Landslide* Lyndon Johnson, *Tricky Dick* Nixon, *Slick Willie* Clinton (that last stolen from the bank robber Slick Willie Sutton, from his habit of slipping down his hair as well as his smooth way with safes). Ronald Reagan had a good run as the *Great Communicator*, but it was President Bill Clinton who successfully styled himself *the Comeback Kid*.

That reversal of trend, with all its socio-onomastic resonance in a return to personalization of leadership, picked up speed late last year with the election of James Janos to the governorship of Minnesota. The former professional wrestler ran under, and serves under, the service mark he registered in the U.S. Patent and Trademark Office, "Jesse (the Body) Ventura," which he established as the exclusive "nickname and not the name of any other particular living individual."

On top of that came the emergence, during the House of Representatives impeachment debate, of Majority Whip Tom (the Hammer) DeLay. He's not happy with it: "Sometimes I'm a little blunt and forthright in what I believe, and that's created an image I don't think I am, quite frankly."

Don't knock it, Tom. Beats the

Screwdriver or the Monkey Wrench, or as President James Buchanan described himself, the *Old Public Functionary*.

The chastisement of the president continues to churn up quotes that call for correction or amplification.

"I for one would have very strong opposition," Senator Diane Feinstein of California told CNN, as reported in the *New York Times*, "to any kind of star chamber proceeding that's held in private."

Members of the Squad Squad, spotters of tautologous redundancies, landed heavily on that one.

The *Star Chamber* was a room constructed in 1347 in the royal palace at Westminster, its ceiling decorated with "starred gilded." In the next century, Henry VII created the Court of the Star Chamber in that room, and its tyrannous abuses under James I and Charles I made it synonymous with oppression. Although some historians insist that it was as public as any other criminal court, the *Star Chamber* — abolished in 1641 by the Long Parliament — is now remembered for operating in secrecy. Therefore, the Feinstein formulation of "Star Chamber proceeding that's held in private" is indeed redundant, and needlessly verbose, superfluous, prolix and repetitive, too.

"My view is we need to commence the trial," said Senator Mitch McConnell of Kentucky. "Otherwise, it just completely makes short shrift of the action of the House."

What is a *shrift*, anyway, and aren't there any long ones?

To *shrive* is a religious term meaning "to give absolution to, after penance." *Shrift*, the noun, varies in meaning from the confession of sin to the penance offered or the absolution that results.

*Short shrift* was coined by Shakespeare to describe a brief confession before execution. In "Richard III," Ratcliffe tells the condemned Hastings: "Make a short shrift," because the duke "longs to see your head." It has lost its confessional sense and now means only "make quick work of." Surely McConnell could not have been thinking of his phrase's macabre origins.

New York Times Service

## CROSSWORD

**ACROSS**

1 Playwright — William

5 Some Pennsylvania Dutch

10 Carol

14 That, in France

15 Division of a long poem

16 Hard rein?

17 Best Picture of 1995

19 Tex. neighbor

20 Car that was always black

21 Catch red-handed

22 Swerve

23 Arctic bird

25 Gollie's job

27 Bed burner?

31 — and anon

32 "I didn't know that!"

33 Appliqued

36 Enticed

38 Crow's cry

42 Barber's work

43 — of Capricorn

45 Brit. tires

47 Hornet road

48 "Cracklin' Rosie" singer

49 "Shane," e.g.

**DOWN**

1 Part of a nuclear arsenal, for short

2 Fiddling emperor

3 Pleased

4 Listen in (cn)

5 German warning

6 Female security

7 — instant (quickly)

8 Italian road

9 Carriers of activity

10 Push

11 Like some old buckruts

12 Frazier's brother on "Frasier"

13 Harsh reflection

16 Actress Sommer

24 "Hold on —!"

26 Payments to doctors

27 Moola

28 Assort

29 Fix up

30 Oyster's center

34 Capricious

35 Org. formed to contain Communism

36 Bread chamber

37 One who's socially clueless

39 Prime-time hour

41 Desert stream

44 Parts of brains

46 Wangle

48 Accustomed

49 Suffice with million

51 Humpback, e.g.

52 Stand for something

53 Go furiously

54 They may come in a battery

56 Ready to be picked

58 Karbut on the beam

61 Egyptian cereal

62 Mind

63 The first of 13: Aitz.

**Solution to Puzzle of Jan. 15**

ROMANTICISM  
LUNcheonETTE  
COMedownTOEARTH  
ORDS RYE WINE  
EL ASS SLIDERS  
PLUDGE SUEZ WRE  
FEET VALVES  
LISH HOLLY WITS  
SCOTTIE OLIVIA  
NAT OBEY WISKEY  
ELEPHANT RUG DEE  
ROAMS TIS WEAR  
FAMOUSLAST WORDS  
NUCLEARENERGY  
POSTMORTEMS

See our International Franchises every Wednesday in The Intermarket



## CAPITAL MARKETS ON MONDAY

## Brazil May Have Deflected a Crisis, but Analysts See Stormy Year for Region

By Clifford Krauss  
New York Times Service

**B**UENOS AIRES — Even though stock markets throughout Latin America rebounded strongly at the end of last week on hopes that Brazil's currency would not tumble out of control, analysts warn that several countries in the region face a period of extreme economic volatility, with a likelihood of devaluations, rising interest rates and growing unemployment through the rest of the year.

Along with the Brazilian market's spectacular 33.4 percent rise Friday, Argentina's stock market rose 12.3 percent, and Mexican stocks climbed 7.8 percent. Nevertheless, a consensus has emerged among Latin American and Wall Street economists that the region is facing a year of little or no growth, rising unemployment, disappointing corporate

earnings and sliding government tax receipts. Pressure on currencies throughout the region — particularly in Mexico, Venezuela, Peru, Chile and Colombia — is mounting, analysts say.

A weaker currency in Brazil, the largest market in Latin America, is bound to put competitive pressure on its regional trading partners.

Those pressures will only grow as the

## INVESTING

devaluation and subsequent floating of the real announced last week help drive down world prices of exports that are crucial to Latin America's economic health — namely, oil, grains, paper goods and metals such as copper and tin.

In oil-dependent Ecuador, for example, interbank interest rates last week soared to 140 percent, and the central bank spent \$90 million in a desperate

and probably vain attempt to defend its currency, the sucre.

A report by Deutsche Morgan Grenfell last week forecast "a sharp deterioration in the outlook for economic growth in Latin America." From a projection of 3.5 percent growth for all of Latin America made six months ago, the investment banking firm now projects a contraction of 0.1 percent in the region's economies this year.

But while the economic picture is far from healthy, economists and government officials say, Latin America is not poised for the kind of economic and political shocks that have shaken Asia since mid-1997. Latin America's economies are not as dependent on trade as, say, Japan or Thailand, and the shocks from Brazil's sliding currency have not come with the same suddenness as they did in Asia in late 1997.

While Argentina came under the most

stock-selling pressure by international investors after Brazil's move, analysts said its banks and government were likely to withstand the shock waves, largely because its currency, the peso, was still pegged at par with the dollar.

Argentina's stability, economists said, is tied to the facts that only 8 percent of its economy is based on trade and that President Carlos Saul Menem is committed to keeping the peso level with the dollar. That policy, they said, diminishes the possibility of a return to Argentina's days of hyperinflation and galloping devaluations. Underlining the success of his monetary policy, Mr. Menem on Friday called on all of Latin America to establish a common currency based on the dollar. The suggestion received no immediate support around the region.

"I don't want to paint too rosy a picture," said Donald Hoskins, the manager of U.S. Trust's Excelsior Latin

America fund. "But there is relief that Brazil is not going to try the impossible task of defending a partial devaluation."

Nevertheless, Charles Clough, an influential stock analyst at Merrill Lynch & Co., told institutional investors in a conference call Friday that the rebound in the Latin American markets signaled a good opportunity to sell Latin stocks and move money into Asian markets.

Many economists say Argentina is heading into a recession because of the downturn in Brazil. Merrill Lynch, for instance, lowered its 1999 gross domestic product forecast for Argentina last week from growth of 2.1 percent to a contraction of 2 percent.

The divergent views reflect uncertainty over how far the real will fall and whether Brazil will be able to slowly cut interest rates to foster growth in the months ahead. Should Brazil be able to

stabilize its currency quickly, analysts say, its consumers will be able to resume buying Argentinean automobiles and Chilean wines, and the regional economy will resume the steady growth of the past several years. But most analysts agreed that the fallout from Brazil's crisis would vary widely around the region.

Venezuela escaped much of the turbulence of the past week. But it is the country attracting the most concern among economists and market analysts, largely because of the low price of oil, which is responsible for about half of Caracas's revenue. Mexico is another potential trouble spot. Jane Heap, Latin American strategist at Deutsche Morgan Grenfell, predicted, "You will see volatility in the peso." Mexico's currency in the past week alone has fluctuated between 8 and 11 to the dollar — the rate was 10.64 late Friday — putting added pressure on its stock and bond markets.

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Jan. 15. Prices supplied by Reuters.

Risk Name Cpn Maturity Price CNY4

**Belgian Franc**

112 Belgium 6 11/2/04 114.8300 5.7800

**British Pound**

43 MSW 2 01/10/02 7.9100

49 Amst 4 01/10/02 23.2250 6.1900

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**Japanese Yen**

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## Latin Drama Unlikely to Push Fed to Cut Rates

Bloomberg News

**NEW YORK** — Brazil's currency meltdown last week leaves little room for big gains in Treasury bonds, as the devaluation of the real failed to persuade many investors that the Federal Reserve Board was poised to cut U.S. interest rates again.

"As far as the eye can see, the Fed's on hold," said John Burgess of Bankers Trust Co.

The resilience of the U.S. economy, which weathered Asia's currency crisis, Japan's recession and Russia's debt default with barely a shudder, makes it unlikely the Fed will be quick to cut rates a fourth time. So far, Brazil's currency devaluation — unlike Russia's last August — has not led to the kind of financial strains that prompted three U.S. quarter-point rate cuts last week.

U.S. securities did benefit last week as

investors sought refuge from events in Brazil. The price of the benchmark 30-year Treasury bond rose 2 1/2 points last week to end at 102 5/32 on Friday, sending yields down to 5.11 percent from 5.27 percent the previous week.

But judging from Eurodollar futures

— among the best measures of expectations about central-bank policies — traders see only about a 50 percent chance that the Fed will cut its target for overnight lending between banks, known as the federal funds rate, in the next six months.

Recent comments by Fed officials suggest they do not see a pressing need to cut rates right and would even be pleased if the U.S. economy cooled off a bit.

The president of the Federal Reserve

Bank of Chicago, Michael Moskowitz, predicted the economy would slow from an estimated 3.5 percent growth rate for last year to between 2.0 percent and 2.5 percent in 1999. "We don't expect the U.S. economy to have another extraordinary year like 1998, but it certainly won't be a bad year," he said.

But some investors say problems in Brazil may spill into other countries in the region, leading to the type of spiral that occurred in Asia after Thailand's devaluation in July 1997. A crisis across Latin America, where the United States does one-fifth of its trade, could drag on the U.S. economy and give the Fed reason to lower rates in the months ahead.

"At some point, the Fed may be faced with the possibility where they may have to ease for international reasons," said Fred Cavanaugh, who helps manage at John Hancock Funds in Boston.

## New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (\$millions)	Mat.	Cpn	Price	Price and weak	Terms
<b>Floating Rate Notes</b>						
Credit Agricole	\$125	2004	3%	99.812	—	Over 3-month Libor, Noncallable, Fees 0.175% (Deutsche



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# Herald Tribune BUSINESS/FINANCE

MONDAY, JANUARY 18, 1999

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PAGE 11

## EU's Goal For Budgets Threatened

Meeting Due to Approve Austria's Plan for Deficits

**BRUSSELS** — European Union finance ministers will give the go-ahead Monday for Austria to continue posting budget deficits, an indication that the 15-nation bloc will abandon the goal of balanced budgets to combat the deepening economic slowdown, EU officials said Sunday.

Although Austria's four-year deficit-limitation plan was criticized as being "very modest," a communiqué drafted for the ministers' meeting, which begins Monday, endorses the plan as "fully in line" with EU objectives. Austria also escapes criticism for dropping the pursuit of a balanced budget by 2002.

Europe is dependent on brisk economic growth to keep its new 11-nation currency, the euro, popular and can tolerate some deficit spending "as long as there is no real dramatic, 180-degree turn in fiscal trends quickly," said Allan Sanderson, editor of Frankfurt Money Strategist.

The case of Austria, which accounts for 3 percent of the euro zone's economy, reflects the determination of Europe's revitalized center-left governments to prop up their economies as sagging export demand threatens to turn a slowdown into a full-scale recession. The bloc's largest economy, Germany, either stagnated or contracted in the final months of 1998, analysts said last week after the German government released a full-year estimate. Italy on Friday reported a greater-than-expected 1.5 percent decline in industrial production in November.

Analysts said the report card on Austria could set a precedent when the EU reviewed nine more budgets by mid-March. Germany and France, for example, have also renounced the goal of eliminating deficits by 2002, while Italy's projections reach as far as 2001.

Austria set a target of reducing its deficit to 1.4 percent of gross domestic product by 2002 from 2.2 percent last year.

Separately, EU officials were upbeat as a two-day meeting with Asian finance ministers ended Saturday in Frankfurt, saying that the worst of the Asian crisis was over. At the same time, however, concern grew about the latest trouble spot, Brazil, which let its currency sink last week. About 6 percent of EU exports go to Latin America.

Finance ministers also said they had discussed the possibility of pegging Asian money to a basket of international currencies, including the euro.



Fans supporting President Fernando Henrique Cardoso during a beach soccer match Sunday in Rio de Janeiro.

## Demise of Currency Plan Revives Fears of Inflation

By Diana Jean Schemo  
New York Times Service

**RIO DE JANEIRO** — On the trading floor of the Sao Paulo stock exchange, it led to a breathtaking buying spree. In Washington, officials were relieved.

But for most of Brazil, the government's decision to stop protecting the currency that beat hyperinflation marked the end of a much-celebrated monetary plan that promised to transform Brazil into a modern nation.

The dream has been personified by President Fernando Henrique Cardoso, a multilingual former sociology professor and finance minister who has roamed world capitals and financial centers for four years selling his vision of a modern Brazil intent on reform and backed by a stable currency known as the real.

He told Brazilians, the majority of whom had never lived without runaway prices, that inflation was the cruellest tax of all, striking the poor, whose salaries "lost value" by the hour. If complicated long-term investments and planning, so industry failed to modernize, instead relying on trade barriers to keep out cheaper imports. Brazilians voted him president twice, making him the first to be re-elected to his office, overwhelmingly on the strength of his Real Plan's success at beating inflation.

Foreign investors signed on, seeing in

Brazil an untapped market of 160 million people for everything from telephones to refrigerators and a potentially perfect base for exports to the rest of South America. Direct foreign investment, \$2 billion at the start of the Real Plan, totaled \$36 billion by last year.

On Friday, it was a troubled Mr. Cardoso who stood before his nation for just two and a half minutes to say that he had done all he could to protect the real by intervening on currency markets but could no longer spend foreign reserves that had dwindled to \$30 billion from \$75 billion in five months. The real would be free to float on world markets.

The immediate reaction was frenzied buying on the stock market, which gave the Bovespa index its second-biggest rise in a single day: 33.4 percent.

Now, while economists and industrialists debate the size of price increases that will probably hit the stores this week and the possible nature of the "Real Plan II," there is little disagreement about the cause of Brazil's current failure.

The Real Plan foundered on the same rocks that had sunk a half-dozen other plans to transform Brazil over the past 15 years: the government's inability to get reform efforts past vested interests that had benefited and breaks Brazil could not afford.

The rise in the stock market Friday reflected relief that Brazil would no

longer drain its foreign reserves to bolster its currency, but there was a sense of betrayal on Wall Street among those who had believed Brazil's leaders when they ruled out devaluation time and again. Many wondered what other elements of his vision Mr. Cardoso would be surrendering.

The Cardoso administration has made important progress in modernizing Brazil's economy. It pushed through measures to force government to lay off public workers if a state's payroll exceeded 60 percent of its budget, and it has had some success in pushing through laws that should reduce the pension deficit somewhat. It has trimmed the role of government by privatizing state-owned companies and cleaned up state-owned banks used notoriously as political funding engines by state governors.

But the heart of the Real Plan, indeed its raison d'être, according to the Brazilian government's letter of intent to the International Monetary Fund, lay

## Brazil Seeks Support For Its Devaluation

Finance Chief Meets U.S. and IMF Officials

Compiled by Our Staff From Dispatches

**WASHINGTON** — Finance Minister Pedro Malan of Brazil met with international financial officials over the weekend to seek their endorsement of a decision to allow the Brazilian currency, the real, to fall in value.

Mr. Malan was due to meet the deputy U.S. Treasury secretary, Lawrence Summers, on Sunday after meeting Saturday with Michel Camdessus, managing director of the International Monetary Fund. Mr. Camdessus has postponed a scheduled trip to Nigeria to deal with the crisis.

An aide to Mr. Malan said the officials were discussing the decision Friday to give in to market pressure and let the real float freely, as well as the impact that the devaluation would have on Brazil, the eighth-largest economy in the world.

"Brazil came to explain and try to obtain support for the changes made this week," the aide said.

He said the talks also covered the impact that a devalued real would have

on the IMF-organized economic program that Brazil agreed in November. Brazil agreed to austerity measures in return for a \$41.5 billion rescue plan by rich industrial nations that was intended to prevent Brazil from following Russia into a financial meltdown.

The plan had succeeded in bolstering confidence in the real until the governor of the third-largest Brazilian state, Minas Gerais, scared investors this month by declaring a 90-day moratorium on debt payments to the federal government.

The aide to Mr. Malan said the government might ask the IMF to speed up the second disbursement from the international rescue package, \$4.5 billion due at the end of February. The Fund said in December that it was prepared to pay out the disbursement sooner if Brazil requested it.

Faced with a renewed run on the currency, Brazil tried a controlled devaluation Wednesday, on Friday it stopped intervening to prop up the real, which had been limited to a narrow range against the dollar since 1994. The dollar settled at 1.495 reals by the end of the day, up from 1.313 reals Thursday.

But dollar outflows from Brazil slowed Friday and shares soared nearly 33 percent on the Sao Paulo stock market as investors saw that the currency would not tumble out of control.

"You saw what happened. There was no big run," Mr. Malan told reporters on arrival Sunday in Washington.

"It was a positive step," he said. Mr. Malan said the central bank would announce new currency exchange rules Monday in Brasilia.

The alternatives range from a permanently floating rate to a currency board like the one Argentina adopted successfully in 1991 — a rigid regime that pegs the currency firmly one-to-one to the dollar. A middle road is a new rate loosely pegged to the dollar like the one abandoned Friday, but with wider ranges for the real to fluctuate in.

Analysts said Brazil would have to move faster to put its public accounts in order by passing fiscal reforms that were delayed in Congress. But they said Brazil did not need to ask for more funds from the IMF, because it had used hardly any of the \$41.5 billion package.

(Reuters, Bloomberg)

## CYBERSCAPE

### Shoddy Service Clicks Off Internet Shoppers

By Bob Tedeschi  
New York Times Service

**NEW YORK** — If on-line retailers steamrolled their way into the spotlight during the past holiday season, one thing is clear: They crushed a few toes along the way.

Consumers have long lamented the state of customer service on-line but perhaps never as vociferously as in the past two months. Stories abound of vendors that shipped late, sent the wrong product and then ignored complaints or that required customers to pay the cost of returning goods and then tacked on restocking charges.

And then there is the loathsome "auto response" electronic-mail reply, with advice on everything but what the customer asked about.

Asked to sum up on-line customer service in a word, David Cooperstein, senior analyst with Forrester Research, an Internet consulting firm, responded: "Pathetic."

Web sites have the powerful advantage of making companies seem accessible and easy to interact with. It is an appearance that all kinds of companies, not just retailers, can have trouble living up to.

Brightware, an e-mail software company, reported last week that it had tried contacting the 100 largest U.S. public companies by e-mail.

Twenty-six either did not accept e-mail or made it so difficult to find the e-mail forms on their Web sites that the surveyors gave up trying. Of the remainder, only 15 responded within three hours; 10 did not reply at all.

Matthew Garelick of Somerville, Massachusetts, knows the frustration of unrequited e-mail. In early December he ordered the movie "Out of Sight" on digital videodisk from Bigstar Entertainment, an on-line movie retailer. From Dec. 28 to Dec. 30, Mr. Garelick e-mailed Bigstar three times asking why the movie had not arrived. He finally got the disk in January.

Having a number to call was small comfort to Duke Nguyen of Cincinnati. Mr. Nguyen said he ordered three items from the Internet site of Intuit Corp. in early December and then tried to change his order by phone. "Every time, after 20 or so minutes of waiting, I gave up," he said.

He tried faxing in his order change, but the original items were delivered to him. "Finally, I called and just put on my speaker phone while I waited," he said. After an hour someone answered and he was able to arrange a return. But then Intuit credited him for less than the full value of the goods, he said.

He tried an e-mail button on Intuit's Web site but got an automated response suggesting, among other things, that he call customer service. "I'm computer-literate," Mr. Nguyen said.

"But when it comes to service, these things scare the heck out of me,"

Analysts and industry leaders say problems often occur because companies rush to get products and prices onto their Web sites while underestimating the time and resources needed for customer service.

But David Levitsky, executive vice president of Bigstar, said that was not the case with his site. The company had anticipated a holiday rush by installing a "very cutting-edge" e-mail system, he said, "so it's surprising to me that this happened."

As for Intuit, Larry Wolfe, senior vice president for the company's tax-software division, said the company had done the best it could. "Often in December and January, there are times when people wait longer than we'd like them to wait," he said. "But we take it very seriously, and we work very hard to keep call times down."

The good news for consumers, analysts said, is that Internet merchants are starting to learn two lessons: That ignoring e-mail is the best way to turn customers into enemies, and that improving Web sites is more cost-effective than dedicating battalions of employees to answer complaints.

E-mail address: [Cyberscape@iht.com](mailto:Cyberscape@iht.com)

Recent technology articles: [www.ihl.com/IIHTTECH/](http://www.ihl.com/IIHTTECH/)

## CURRENCY RATES

Jan. 15									
Cross Rates					Other Dollar Values				
	\$	£	SF	Yen	CS	Dane	Greek	Swede	
London (to)	1.6519	2.2791	188.05	2.5219	10.609	463.06	12.9679		
New York (to)	1.6493	1.384	113.95	1.525	6.8076	279.47	7.8555		
Tokyo	1.5271	2.5226	1.1089	1.338	0.2379	0.5472	0.1943		
Frankfurt	1.3774	2.2731	1.2066	0.9031	21.4335	0.4933	0.1751		
Paris	1.1626	0.7039	1.5994	131.24	1.7797	7.4441	324.95	9.157	
One SDR	1.4073	0.8496	1.9222	N.Q.	2.1469	8.9878	392.23	11.0229	
Euro Values									
Austrian schilling	13.7603								
Belgian/Lux. franc	40.3399								
French franc	6.55957								
German mark	1.936								
Jan. 15									
Cross Rates					Other Dollar Values				
	\$	£	SF	Yen	CS	Dane	Greek	Swede	
London (to)	1.6519	2.2791	188.05	2.5219	10.609	463.06	12.9679		
New York (to)	1.6493	1.384	113.95	1.525	6.8076	279.47	7.8555		
Tokyo	1.5271	2.5226	1.1089	1.338	0.2379	0.5472	0.1943		
Frankfurt	1.3774	2.2731	1.2066	0.9031	21.4335	0.4933	0.1751		
Paris	1.1626	0.7039	1.5994	131.24	1.7797	7.4441	324.95	9.157	
One SDR	1.4073	0.8496	1.9222	N.Q.	2.1469	8.9878	392.23	11.0229	
Euro Values									
Austrian schilling	13.7603								
Belgian/Lux. franc	40.3399								
French franc	6.55957								
German mark	1.936								

## ADVERTISING & MEDIA New-Biz Forum '99

ANNUAL MEETING OF THE ADVERTISING & MEDIA NEW-BIZ FORUM '99

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The Advertising & Media New Biz Forum is a first of its kind, and the inauguration of an annual event. A super-dynamic industry gathering which is both Exhibition and Conference under one roof, the New Biz Forum includes the sphere of today's communications focus: advertising agencies, media, research companies, below the line, and, of course, media specialists.

### The Conference

"Plug yourself into the future" both the title and message of the Conference. A concept which reflects the leadership quality of the event and its international impact. The Advertising & Media New Biz Forum '99 is an industry first, distinguished by the participation of a group of prestigious guest speakers, all at one conference. Names which are living legend. The most renowned personalities in Marketing and Communications, and, of course, highly rewarding speakers. The people who inspired the future: academics, intellectuals, scientists, marketers, researchers: all with a common characteristic, the charisma to capture an audience. In their valuable talks they will highlight future developments and present material which will revise ways of thinking and management methods, so that the business person not only meets every future challenge, but is instrumental in creating the changes which will distinguish the market in the 21st century. All of the Conference Sessions will have panels consisting of distinguished Greek and foreign business leaders.

- 21/1/99, Dr. J. Kao, Stanford University. From the "brain child" of creative thinking "Fostering a creative climate" and "Using Creativity to invent products, business methods and opportunities"
- 21/1/99, D. Whelton, former Coca Cola Worldwide Advertising Director, former President BBDO Europe: "Future trends in servicing client demands / Both sides of the mountain"
- 22/1/99, Dr. A. Lippman, MIT Media Lab. From the guru of the cyber-world: "The Future of Broadcasting" and "Digital Life"
- 23/1/99, Dr. R. Blackwell, Ohio State University. From a leading researcher of consumer behavior: "Consumer Trends / Retailing in the 21st Century"
- 23/1/99, H.C. Ozdin, Vice President ABC Television: "The profound changes in advertising and marketing due to technology"
- 24/1/99, R. Wright, Chairman WCRS: "Future trends of creativity in advertising"
- 24/1/99, J. O' Shaughnessy, Wall Street Advisor. From a mastermind of Wall Street: "The strategies that work in Stock Markets or How to Retire Rich"

The Conference will take place at "Peace & Friendship Stadium" in the "Melina Merkouri" Conference Hall, which seats 900 participants, from Thursday, January 21 to Sunday, January 24, 1999. It is oriented toward select company personnel, but also young staff members with vision and ambition. The limited seating should not exclude you from this invaluable Conference hosted here. Telephone (301) 6141860, 6143736 reserve a seat... and ensure your place in the future.

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Consolidated prices for all shares from  
listing week ended Friday, January 15

Sales	
2004	2005
High	Low
Qtr	Qtr

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صلى الله عليه وسلم



## Azerbaijan Leader's Illness Clouds Oil-Rich Region's Prospects

By Stephen Kinzer  
New York Times Service

ISTANBUL — One of the key figures in the multibillion-dollar Caspian energy boom, President Heydar Aliyev of Azerbaijan, fell ill and was flown Sunday to a hospital in Turkey.

A spokesman for the Health Ministry in Azerbaijan said Mr. Aliyev, 75, was suffering from bronchitis and a viral infection.

The Reuters news agency quoted an unidentified aide to Mr. Aliyev as saying he had "a problem with his heart."

That was disputed, however, by Mayor Rafail Alakhverdiyev of Baku, the Azerbaijani capital. He said Mr. Aliyev had "a bad cold" and would remain in Turkey "not more than one week."

Mr. Aliyev arrived in Ankara aboard a private jet sent to Baku by President

Suleyman Demirel of Turkey, a close ally. Mr. Demirel met him at the Ankara airport and joined the procession that took him to a military hospital.

Since rising to power in 1993, Mr. Aliyev has ruled Azerbaijan virtually on his own, making even the smallest decisions. His departure or extended absence from the political scene could have profound consequences for the region.

Azerbaijan is the center of an oil and gas bonanza that has brought tens of billions of dollars in foreign investment to the Caspian region and made it an object of intense geopolitical competition.

"Aliyev is the one who has created the fertile environment for investment here, so should something happen to him, everyone is going to hope that what he laid down will continue," Igor Efimov, president of Pennzoil Caspian

Corp., said in a telephone interview from Baku. "People are likely to be very nervous until things become clear."

In addition to his role in encouraging foreign investment, Mr. Aliyev has shrewdly balanced the pressures exerted on Azerbaijan by outside powers. He has favored the United States and the West, much to the displeasure of some powerful figures in Russia, who would like to bring Azerbaijan back under Moscow's control.

"Aliyev's replacement with a leader more amenable to Russian interests would alter the strategic situation in the region almost overnight," two specialists on Caspian affairs, Michael Croissant and Cynthia Croissant, wrote in a recent study. "Aliyev's departure would thus cast serious doubt on Azerbaijan's prospects for remaining an independent state."

Azerbaijanis re-elected Mr. Aliyev to a second five-year term in October. Foreign observers declared the election unfair because opposition figures had been denied free access to the media and, in at least one case, assaulted by police when they sought to hold a rally in Baku.

Few, however, doubted that Mr. Aliyev would have won even if the election had been completely free.

Officials in Baku said the president of the rubber-stamp Parliament, Murat Alikerov, would run the country while Mr. Aliyev was away.

Human-rights groups and foreign diplomats have been urging Mr. Aliyev to establish procedures for an orderly succession, but he has steadfastly refused to do so, apparently fearing that anyone he publicly anoints as a successor might seek to depose him.

As a result, it was unclear who might

emerge if Mr. Aliyev is unable to return to Baku soon. One opposition journalist, Shahin Abbasov, predicted in an interview several months ago that the post-Aliyev period would be characterized by "a breakdown in national unity as competing economic groups fight for power and access to the oil wealth."

Mr. Aliyev spent three months in a Moscow clinic in 1997, when he was a member of the Soviet Politburo. He said later that doctors had told him he had suffered a heart attack but that he did not believe them.

"He's extremely important; there's no doubt about that," said Brian Chipman, a Baku-based investment analyst. "Before he came to power, you really had chaos and disorder in Azerbaijan. The big issue is whether the prosperity and peace that he's brought in his tenure have taken root."

### SHORT COVER

#### Nissan Denies Report Of Offer From Renault

TOKYO (Bloomberg) — Nissan Motor Co. said it would "seriously consider" an offer by Renault SA to buy a stake but denied a published report that the No. 2 French carmaker had bid for 20 percent of the second-largest Japanese automaker.

"Our company hasn't received an offer for a capital alliance from Renault," said Keiichi Tsuboi, a Nissan spokesman. "We'll seriously consider it if we do receive such an offer."

According to a string of press reports, Nissan is in negotiations to forge closer ties with three rivals and may announce a partner by the end of the month. Nissan is in talks with Renault, DaimlerChrysler AG and Ford Motor Co. to form an alliance to develop future models, the British Sunday newspaper The Observer has reported.

#### Japan Insurers to Link Assets Before Merger

TOKYO (Bloomberg) — Taiyo Mutual Life Insurance Co. and Dai-ichi Life Insurance Co. said Sunday that they would jointly provide investment management systems, product development and other services ahead of a public offering and merger.

The combined assets of the two insurers would form the fifth-largest Japanese insurer.

#### Boeing to Cut Output Of Combat Aircraft

SEATTLE (Bloomberg) — Boeing Co., the world's biggest aircraft maker, plans to cut F-15 production almost in half by November in a move that could lead to hundreds of job cuts at a St. Louis plant as orders drop.

The cuts are likely to total fewer than 1,000 of the program's 5,000 employees, a person familiar with the matter said. A Boeing spokesman, Denny Kline, declined to comment, though he confirmed that Boeing plans to cut F-15 production to two a month by November from three-and-a-half now. The fighter program brings Boeing about \$1 billion in annual revenue.

The plan is intended to keep production of the long-range fighter from exceeding orders. Fewer nations need it following the Cold War, and many cannot afford it because of economic recessions. Boeing is lobbying hard for F-15 orders from Greece and Israel, which could blunt the impact of any job cuts.

#### Beijing Warns on Tax

BEIJING (AFP) — Tax authorities plan to crack down on high-income earners in China, including sports stars, lawyers and accountants, reports said Sunday.

"Almost all of China's certified public accountants, lawyers and sports stars are in the high-income ranks," Sun Ruibin, a tax official, told the China Daily Business Weekly. "But supervision of their income channels has been inefficient and resulted in income tax losses."

Beijing plans to invest in computer networks for the tax bureau and banks to supervise the incomes of individuals and companies.

#### Defense Merger Looms

LONDON (AFP) — A merger between British Aerospace PLC and GEC Marconi will be announced this week, The Sunday Telegraph reported.

The newspaper said Thomson CSF, the French defense and electronics company, seen as a strong candidate to merge with GEC Marconi, had lost out in the bidding war. The report said the merged company would invite DaimlerChrysler Aerospace AG to join it in a three-way arrangement as soon as practicable.

## LVMH Fastens Grip on Gucci By Raising Stake to 26.7%

Compiled by Our Staff From Dispatches

PARIS — LVMH Moët Hennessy Louis Vuitton SA, the world's No. 1 luxury-goods maker, has raised its stake in Gucci Group NV to 26.7 percent, strengthening its influence over the Italian company and providing a platform from which to make an eventual takeover offer.

An LVMH representative said over the weekend that the company was not planning a full-blown takeover bid for Gucci but said the company did not rule out buying more Gucci shares.

The situation was bound to leave investors baffled, as they have been in recent days about what appears to be a cat-and-mouse game between Gucci and the powerful French group.

LVMH fueled feverish speculation in Gucci stock Jan. 6 when it announced that it had taken a stake of more than 5 percent in the Milan-based company.

Investors said they believed LVMH was amassing Gucci stock in December with a view to adding the prestigious Italian brand to a rich portfolio that includes the Christian Dior and Givenchy couture houses.

Expectations of a bid rose Tuesday when LVMH said it was buying an additional 9.5 percent holding in Gucci from Prada, an Italian design house.

But the company turned around the next day and said it had no plan "under the current circumstances" to tender a full bid.

"Ours is not a hostile approach,"

LVMH said, adding that it was keeping all its options open. "We have nothing against Gucci or its management."

LVMH submitted a statement of its intentions Friday to the U.S. Securities and Exchange Commission, as it was required to do because of Gucci's listing in New York. But the company did not disclose the contents of the filing, which are not yet public.

LVMH's chairman, Bernard Arnault, who not only runs the company but is also its controlling shareholder, has a history of acquiring companies over the objections of their owners.

But he is also viewed with respect in the fashion industry as someone who encourages talent and creativity.

Mr. Arnault's interest in Gucci, known for its handbags, scarves and watches, was welcomed by investors as a sign that LVMH was returning to luxury goods after an ill-fated retailing venture.

In 1997, Mr. Arnault took over San Francisco-based Duty Free Shoppers, a chain of luxury stores, which bolstered its exposure to Asia just as the region's economies sank into deep trouble.

But a hostile bid for Gucci would risk alienating Gucci's chairman, Domenico De Sole, and the creative director, Tom Ford, the two men credited with restoring the company to health after its near-collapse in the 1980s, analysts say.

Last week, Mr. Arnault said the Gucci team had nothing to fear from his presence. "Our entry into Gucci's capital is a sign of LVMH's confidence in



Mr. Arnault has a history of buying firms despite the owners' objections.

Gucci, its managers and its designer," he told the newspaper Le Monde.

"We believe LVMH could be content with a significant minority stake in Gucci and seek economies of scale through cooperative agreements with both Gucci and Prada," said Cedric Magnolia, an analyst at CSFB in London.

Based on Friday's closing price on the New York Stock Exchange of \$72.625, up 62.5 cents, Gucci's shares outstanding are valued at a total of \$4.2 billion — compared with \$3.2 billion early this month, before LVMH said it had lifted its stake above 5 percent.

LVMH's shares rose 11 euros Friday to close at 209 (\$241.56).

(Reuters, Bloomberg)

## YEN: Perils of Having a Strong Currency

Continued from Page 1

yen makes exports more expensive, hurting Japanese companies' international competitiveness.

Private economists say all, not just two-thirds, of the government's projected growth could disappear if the yen rose as much as 10 percent, and they take a much dimmer view of the economy for this year than the government does.

"We are going to face a very, very hard landing," said a central-bank official who asked not to be identified. "We are at wit's end — at the moment of final reckoning."

The rise in long-term bond yields, which nearly doubled late last year to more than 2 percent in just a couple of months, is also disturbing many investors.

Some rough estimates show that an increase of one percentage point in interest rates takes away about 0.3 percentage point in economic growth. At the same time, stocks remain sluggish. The Nikkei index of 225 issues, which rose just 5 percent in 1998, is down about 0.7 percent this year.

"There are real risks here because the financial markets have moved in an adverse direction," said Jeffrey Young, an economist with Salomon Smith Barney in Tokyo. "Equity markets, the bond markets and the yen have all moved negatively for the Japanese economy."

And yet there have been confusing signals from government officials. While some are alarmed that the strength of the yen will make exports uncompetitive, others have suggested that the recent strength is acceptable.

"It doesn't make sense as a policy stance to be in favor of the yen at these levels," said Richard Jernan, an economist with ING Barings Securities (Japan) Ltd.

Months ago, Japan worried about trade frictions with the United States if Japanese exports continued to surge. And because Japanese exports tend to crowd out exports from other Asian countries, the weak yen also threatened to scuttle the export-driven rebound of other Asian economies, particularly South Korea, Thailand and Indonesia.

Japan did not want to be blamed for setting off a round of competitive devaluations that could ultimately erode profits everywhere in the region.

But the yen began to rally strongly in October. Long-term rates jumped in late December after Japan said it would curb the amount of public money used to absorb government bonds, and they jumped further when Masaru Hayami, governor of the Bank of Japan, suggested that he believed the central bank was holding too many government bonds.

Moreover, Japan's ballooning budget deficit and the government's growing debt burden, which are the costs of stim-

ulating economic growth, have led investors to expect higher long-term rates.

Another potentially troubling issue is short-term rates. For now, they have not risen, even though Japanese news reports have said the Bank of Japan may sell some of its short-term assets, called financing bills.

Economists said such a move would raise short-term rates, hurting financial institutions and raising the cost of borrowing throughout the economy. They added that the central bank would be unlikely to take such action if it put economic growth at risk.

Many economists say the Bank of Japan may have to pour more money into the economy, essentially printing more yen.

That strategy is about the only one that has not been tried, but it has been taboo because it raises the spectre of Japan's postwar hyperinflation.

Teizo Taya, an economist with the Daiwa Institute of Research, said such a move, by weakening the yen, could help bolster confidence and bring investors back into the stock and bond markets.

"Such a policy change could solve all three problems at once," he said.

## AIRTOUCH: Vodafone Bid Wins

Continued from Page 1

tomers outside Britain are largely in Northern Europe, including Sweden, France, Germany and the Netherlands.

AirTouch's European operations are mainly in the southern part of the Continent, including Italy, Spain and Portugal. In all, international wireless services make up 57 percent of AirTouch's operating income, according to Deutsche Bank Research. The two companies compete in Germany and are partners in ventures in both Sweden and Egypt.

Until now Vodafone had shunned the U.S. market. In fact, the company had been in talks with AirTouch about acquiring its European assets. Since splitting from Racal Electronics, a maker of telecommunications gear and military electronics, in 1988, Vodafone has grown into Britain's largest wireless carrier, with almost 5 million customers.

Many customers are attracted to Vodafone's prices. In the last quarter of 1998, the company added more than 990,000 customers, mostly on the attraction of a plan that allows users to pay as they call, rather than sign a long contract.

Other companies had expressed interest in AirTouch, including MCI WorldCom Inc., which talked to the company but did not make a formal offer.

## Long-Term Capital Prepares to Seek New Funds

Bloomberg News

NEW YORK — Partners at Long-Term Capital Management LP, the hedge fund that was taken over by 14 banks after losing more than \$4 billion, are meeting with lenders, investors and regulators to explain their losses and pave the way for raising new money, people familiar with the fund said over the weekend.

The partners, led by John Meriwether, a former vice chairman of Salomon Inc., have spoken to about 20 institutions in Europe and the United States and will hold similar meetings in Asia. The group, which provided few details of its investment positions when it was profitable, is offering a 40-page presentation that includes details on how it lost money and explains how much it had borrowed to take positions in bond markets worldwide.

Mr. Meriwether and his partners also

are holding the meetings to help rebuild their reputations for the day when they try to raise money to pay back their rescuers, said an investor who met with the traders last week.

The 14 banks, including Goldman Sachs Group LP and Merrill Lynch & Co., bought 90 percent of Long-Term Capital for \$3.6 billion in September with the agreement they would keep their money in the fund for no more than three years. Goldman Sachs has spoken with at least two investors, Warren Buffett and Prince Walid bin Talal of Saudi Arabia, about buying the fund's assets.

Partners could ensure their control of the firm by purchasing the right they gave the banks to buy 50 percent of the management company that runs Long-Term Capital for \$1, according to the Financial Times, which reported the investor meetings in its Saturday edition. The banks gained that right when they

took over the firm in September. Long-Term Capital's partners are also considering starting a new fund, the Financial Times reported, quoting investors who had met with the traders.

The investor who met with the Long-Term Capital partners said they had not mentioned plans to raise money, though they made it clear that they hoped to rebuild their business.

Long-Term Capital, established in 1994, racked up returns of more than 40 percent in its first two full years of operation. The firm was taken over a little more than a month after Russia's default and devaluation in August, which caused many investors to abandon all but the safest securities and made many of Long-Term Capital's market positions unsustainable. The fund, whose net assets have climbed about 14 percent since the banks took over Sept. 28, is now run by an oversight committee of six of the banks.

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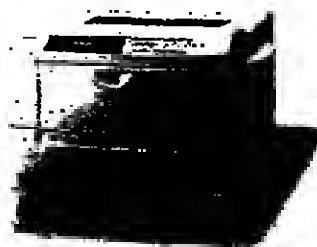
It had never been done before. Take an ordinary office machine and turn it into a model of ecological manufacturing. Focus on eliminating waste and saving resources. The result is earth-friendly and economical. Kyocera's Ecosys printer.

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# U.S. MUTUAL FUNDS

Figures as of close  
of trading Friday, January 15

FUND NAME										NAV	YTD %	1-YR %	3-YR %	5-YR %	10-YR %	20-YR %	30-YR %
AMERICAN MUTUAL FUNDS																	
American Mutual Fund	1000000	10.15	12.5	15.2	18.1	20.3	22.1	23.5	24.8	10.15	12.5	15.2	18.1	20.3	22.1	23.5	24.8
American Growth Fund	2000000	11.20	13.8	16.5	19.2	21.5	23.2	24.6	25.9	11.20	13.8	16.5	19.2	21.5	23.2	24.6	25.9
American Income Fund	3000000	9.80	11.2	13.5	15.8	17.9	19.5	20.8	22.1	9.80	11.2	13.5	15.8	17.9	19.5	20.8	22.1
American International Fund	4000000	12.50	14.2	17.0	19.8	22.1	23.8	25.2	26.5	12.50	14.2	17.0	19.8	22.1	23.8	25.2	26.5
American Mid-Cap Fund	5000000	10.50	12.8	15.1	17.5	19.8	21.5	22.9	24.2	10.50	12.8	15.1	17.5	19.8	21.5	22.9	24.2
American Small-Cap Fund	6000000	11.80	13.5	16.2	18.8	21.1	22.8	24.2	25.5	11.80	13.5	16.2	18.8	21.1	22.8	24.2	25.5
American Value Fund	7000000	10.20	11.5	13.8	16.1	18.4	19.9	21.3	22.6	10.20	11.5	13.8	16.1	18.4	19.9	21.3	22.6
American World Fund	8000000	13.50	15.2	18.0	20.8	23.1	24.8	26.2	27.5	13.50	15.2	18.0	20.8	23.1	24.8	26.2	27.5
American Bond Fund	9000000	8.50	9.8	11.2	12.5	13.8	15.1	16.5	17.8	8.50	9.8	11.2	12.5	13.8	15.1	16.5	17.8
American Dividend Fund	10000000	9.20	10.5	11.8	13.1	14.4	15.7	17.0	18.3	9.20	10.5	11.8	13.1	14.4	15.7	17.0	18.3
American Energy Fund	11000000	14.20	16.5	19.2	22.0	24.3	26.0	27.4	28.7	14.20	16.5	19.2	22.0	24.3	26.0	27.4	28.7
American Healthcare Fund	12000000	15.50	17.8	20.5	23.3	25.6	27.3	28.7	30.0	15.50	17.8	20.5	23.3	25.6	27.3	28.7	30.0
American Technology Fund	13000000	16.80	19.1	21.8	24.6	26.9	28.6	30.0	31.3	16.80	19.1	21.8	24.6	26.9	28.6	30.0	31.3
American Real Estate Fund	14000000	17.50	20.4	23.1	25.9	28.2	29.9	31.3	32.6	17.50	20.4	23.1	25.9	28.2	29.9	31.3	32.6
American Global Fund	15000000	18.20	21.7	24.4	27.2	29.5	31.2	32.6	33.9	18.20	21.7	24.4	27.2	29.5	31.2	32.6	33.9
American Environmental Fund	16000000	19.50	23.0	25.7	28.5	30.8	32.5	33.9	35.2	19.50	23.0	25.7	28.5	30.8	32.5	33.9	35.2
American Social Fund	17000000	20.80	24.3	27.0	29.8	32.1	33.8	35.2	36.5	20.80	24.3	27.0	29.8	32.1	33.8	35.2	36.5
American Arts & Culture Fund	18000000	21.50	25.6	28.3	31.1	33.4	35.1	36.5	37.8	21.50	25.6	28.3	31.1	33.4	35.1	36.5	37.8
American Space Fund	19000000	22.80	26.9	29.6	32.4	34.7	36.4	37.8	39.1	22.80	26.9	29.6	32.4	34.7	36.4	37.8	39.1
American Future Fund	20000000	23.50	28.2	30.9	33.7	36.0	37.7	39.1	40.4	23.50	28.2	30.9	33.7	36.0	37.7	39.1	40.4
American Innovation Fund	21000000	24.20	29.5	32.2	35.0	37.3	39.0	40.4	41.7	24.20	29.5	32.2	35.0	37.3	39.0	40.4	41.7
American Leadership Fund	22000000	25.50	30.8	33.5	36.3	38.6	40.3	41.7	43.0	25.50	30.8	33.5	36.3	38.6	40.3	41.7	43.0
American Vision Fund	23000000	26.80	32.1	34.8	37.6	39.9	41.6	43.0	44.3	26.80	32.1	34.8	37.6	39.9	41.6	43.0	44.3
American Dream Fund	24000000	27.50	33.4	36.1	38.9	41.2	43.0	44.3	45.6	27.50	33.4	36.1	38.9	41.2	43.0	44.3	45.6
American Hope Fund	25000000	28.20	34.7	37.4	40.2	42.5	44.3	45.6	46.9	28.20	34.7	37.4	40.2	42.5	44.3	45.6	46.9
American Faith Fund	26000000	29.50	36.0	38.7	41.5	43.8	45.6	46.9	48.2	29.50	36.0	38.7	41.5	43.8	45.6	46.9	48.2
American Love Fund	27000000	30.80	37.3	40.0	42.8	45.1	46.9	48.2	49.5	30.80	37.3	40.0	42.8	45.1	46.9	48.2	49.5
American Peace Fund	28000000	31.50	38.6	41.3	44.1	46.4	48.2	49.5	50.8	31.50	38.6	41.3	44.1	46.4	48.2	49.5	50.8
American Unity Fund	29000000	32.80	39.9	42.6	45.4	47.7	49.5	50.8	52.1	32.80	39.9	42.6	45.4	47.7	49.5	50.8	52.1
American Justice Fund	30000000	33.50	41.2	43.9	46.7	49.0	50.8	52.1	53.4	33.50	41.2	43.9	46.7	49.0	50.8	52.1	53.4
American Freedom Fund	31000000	34.20	42.5	45.2	48.0	50.3	52.1	53.4	54.7	34.20	42.5	45.2	48.0	50.3	52.1	53.4	54.7
American Prosperity Fund	32000000	35.50	43.8	46.5	49.3	51.6	53.4	54.7	56.0	35.50	43.8	46.5	49.3	51.6	53.4	54.7	56.0
American Abundance Fund	33000000	36.80	45.1	47.8	50.6	52.9	54.7	56.0	57.3	36.80	45.1	47.8	50.6	52.9	54.7	56.0	57.3
American Wealth Fund	34000000	37.50	46.4	49.1	51.9	54.2	56.0	57.3	58.6	37.50	46.4	49.1	51.9	54.2	56.0	57.3	58.6
American Power Fund	35000000	38.20	47.7	50.4	53.2	55.5	57.3	58.6	59.9	38.20	47.7	50.4	53.2	55.5	57.3	58.6	59.9
American Influence Fund	36000000	39.50	49.0	51.7	54.5	56.8	58.6	59.9	61.2	39.50	49.0	51.7	54.5	56.8	58.6	59.9	61.2
American Prestige Fund	37000000	40.80	50.3	53.0	55.8	58.1	59.9	61.2	62.5	40.80	50.3	53.0	55.8	58.1	59.9	61.2	62.5
American Success Fund	38000000	41.50	51.6	54.3	57.1	59.4	61.2	62.5	63.8	41.50	51.6	54.3	57.1	59.4	61.2	62.5	63.8
American Achievement Fund	39000000	42.80	52.9	55.6	58.4	60.7	62.5	63.8	65.1	42.80	52.9	55.6	58.4	60.7	62.5	63.8	65.1
American Excellence Fund	40000000	43.50	54.2	56.9	59.7	62.0	63.8	65.1	66.4	43.50	54.2	56.9	59.7	62.0	63.8	65.1	66.4
American Perfection Fund	41000000	44.20	55.5	58.2	61.0	63.3	65.1	66.4	67.7	44.20	55.5	58.2	61.0	63.3	65.1	66.4	67.7
American Mastery Fund	42000000	45.50	56.8	59.5	62.3	64.6	66.4	67.7	69.0	45.50	56.8	59.5	62.3	64.6	66.4	67.7	69.0
American Brilliance Fund	43000000	46.80	58.1	60.8	63.6	65.9	67.7	69.0	70.3	46.80	58.1	60.8	63.6	65.9	67.7	69.0	70.3
American Splendor Fund	44000000	47.50	59.4	62.1	64.9	67.2	69.0	70.3	71.6	47.50	59.4	62.1	64.9	67.2	69.0	70.3	71.6
American Grandeur Fund	45000000	48.20	60.7	63.4	66.2	68.5	69.0	71.6	72.9	48.20	60.7	63.4	66.2	68.5	69.0	71.6	72.9
American Majesty Fund	46000000	49.50	62.0	64.7	67.5	69.8	71.6	72.9	74.2	49.50	62.0	64.7	67.5	69.8	71.6	72.9	74.2
American Nobility Fund	47000000	50.80	63.3	66.0	68.8	71.1	72.9	74.2	75.5	50.80	63.3	66.0	68.8	71.1	72.9	74.2	75.5
American Royalty Fund	48000000	51.50	64.6	67.3	70.1	72.4	74.2	75.5	76.8	51.50	64.6	67.3	70.1	72.4	74.2		



## (Continued)

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## SPORTS

# In Spurred Swedish City, Disgust Over IOC Greed

## Quebec, Too, Feels It Was Bilked on Bid

By William Drozdiak  
Washington Post Service

OSTERSUND, Sweden — Here in the austere frozen landscape of central Sweden, local residents still shake their heads in amazement at the brazen display of greed and greed shown by some international Olympic Committee delegates who came here to review the small city's bid to be host of the 2002 Winter Games.

Thor Eric Nilsson, sports editor for Ostersund's main newspaper, recalls how one delegate, after being loaned a new Saab to tour downhill skiing sites 100 kilometers (60 miles) away, balked at returning the keys. The delegate said he thought it was clearly understood he would be allowed to keep the automobile.

Bjorn Folin, press director for the Swedish Olympic Committee, remembers being nagged by another official who wrote him several letters asking about his prospects of getting a new Volvo since he was inclined to give "favorable consideration" to Ostersund's Olympic bid.

Then there were several "agents" who presented themselves as intermediaries capable of delivering a bloc of votes for the right amount of money. "I told them all that their requests surpassed our entire marketing budget, and that even if we could afford it, we would not pay," said Christer Persson, the committee's president. "They looked at me as if I were crazy."

The Swedish officials said they could not recall the names of the IOC delegates who solicited the favors, and insisted that all requests for favors were rebuffed. But their claims provide further evidence that bribery solicitation by IOC officials was not limited to Salt Lake City, whose bid for the 2002 Games has been implicated in a deepening corruption scandal.

Following the scandal surrounding Salt Lake City, the mood of disappointment in Sweden has turned to outrage. Like an athlete who lost a gold medal to a rival pumped up on steroids, Ostersund officials believe they were cheated because the town could not afford to buy votes with the kind of lavish gifts and other benefits that have become commonplace in Olympic bidding wars.

"The Olympic movement is supposed to stand firm against all forms of cheating and doping," said Gunilla Lindberg, general secretary of the Swedish Olympic Committee and one of the 114 IOC members. "It does not look good if the Olympic authorities engage in the same kind of bad behavior."

The IOC president, Juan Antonio Samaranch, has said that nine committee delegates face possible expulsion for

"serious" offenses in the Salt Lake City bribery scandal and that four others face minor charges. He said the IOC had demanded that all 13 members provide written explanations for their behavior by Tuesday.

Olympic sources have identified 10 of the 13 IOC members implicated for allegedly taking cash bribes, scholarships, free medical care or other inducements from Salt Lake officials. They are: Jean-Claude Gangs of Republic of Congo, Vitali Smirnov of Russia, Charles Mukora of Kenya, David Sikhuluni Sibande of Swaziland, Bashir Mohammed Attarabuli of Libya, Lamine Keita of Mali, Sergio Santaroni of Chile, Agustin Carlos Arroyo of Ecuador, Anton Geesink of the Netherlands and Pjotr Haeggen of Finland.

Steven Pearlstein of The Washington Post reported from Quebec:

Quebeckers may never know whether it was legal activities, outright bribes or perhaps simply the arcane internal politics of the IOC that finally delivered the 2002 Winter Games to Salt Lake City. But the Quebec committee says it deserved more than the seven votes that city finally received. And with each day bringing fresh allegations of corruption in the Olympic bidding process, Quebecers are responding with a mixture of anger, disillusionment and embarrassment for being so naive.

"We feel we've been had," said Jean-Paul L'Allier, the mayor of Quebec City. L'Allier said he will appeal to the honor of the Olympic movement to get back the \$8 million (12 million Canadian dollars) that Quebec spent trying to land the 2002 Olympics, not to repay the taxpayers and corporate sponsors but for the continued development of amateur athletics in the region.

Failing that, L'Allier and other officials here have threatened to take the IOC to court to get Quebec's money back. "They owe us 12 million," said Jean Grenier, the man who brought short-track speedskating to the Olympics and was the guiding hand in the Quebec 2002 committee. "They impressed upon us many times, and at great length, that they had tough new rules and that they would be enforced. And now we know that they were not."

On talk radio, in the newspapers and at the Quebec City Council, there also have been calls for the immediate resignation of Samaranch and a wholesale revamping of the way Olympic host cities are chosen.

"Samaranch has to take responsibility for the dishonor brought onto the Olympic movement during his time," said Rene Pacquet, a prominent lawyer and Quebec businessman who once headed the Canadian Ski Federation.



The Sabres' Alexei Zhitnik, left, lifting the Senators' Radek Bonk off the ice with a knee to the midsection. No penalty was called on the play.

# Roy Stops the Blues Cold

## Avalanche Goaltender Gets 44th Career Shutout

The Associated Press

Patrick Roy got his 44th career shutout — and his third of the season against St. Louis — as the Colorado Avalanche beat the Blues, 2-0, in Denver.

Roy, who had not blanked St. Louis before this season, made 28 saves Saturday to extend his shutout streak over

### NHL ROUNDOUP

the Blues to 204 minutes, 7 seconds. Roy's dominance spoiled a solid effort by Grant Fuhr, who made 17 saves for St. Louis.

Aaron Miller had a first-period goal, and Valeri Kamensky added the game-clincher with 1:25 remaining for the Avalanche.

**Braves 2, Lightning 2** Chris Gratton scored with just over five minutes left in regulation play as struggling Tampa Bay halted a seven-game losing streak with a tie against the Bruins in Boston.

**Maple Leafs 4, Flyers 3** Steve Sullivan scored two goals and Derek King had the game-winning shot as the Philadelphia Flyers' 15-game unbeaten streak ended.

**Canadiens 3, Rangers 0** Jeff Hackett made 17 saves for his second consecutive shutout and Vladimir Malakhov and Brian Savage scored power-play goals as Montreal beat New York. Vincent Damphousse had the other goal for the Canadiens.

**Panthers 1, Islanders 0** Dino Ciccarelli scored a first-period goal for his 1,200th career point and Sean Burke gained his first shutout of the season to lead Florida over the road-weary New York Islanders. The Islanders have lost their last five games, all on the road, and are 0-9-1 in

their last 10. Ciccarelli, who has missed 33 games because of back injuries, scored his sixth goal in just his seventh game to reach 1,200 career points. Ciccarelli, 38, has 608 goals and 592 assists.

**Capitals 3, Hurricanes 2** Kelly Miller got his first goal of the season nine seconds into overtime to lift visiting Washington over Carolina. Peter Bondra and Brian Bellows added goals for the Capitals. Keith Primeau had his team-leading 21st goal and added an assist for Carolina.

**Sabres 1, Senators 1** Dominik Hasek made 38 saves, including 13 in the third period, as Buffalo tied host Ottawa. Alexei Zhitnik opened the scoring on the game's first shot at 2:31 to give Buffalo the lead. The Senators' Alexei Yashin extended his point streak to 11 games when he tied the game in the second period.

**Red Wings 2, Canucks 2** Chris Osgood extended his overtime shutout streak to 31 games as visiting Detroit tied Vancouver. Darren McCarty scored 6:43 into the third period to secure the tie for the Red Wings.

**Penguins 5, Kings 1** Ian Moran and Jaromir Jagr opened the scoring with goals 51 seconds apart midway through the first period as Pittsburgh beat host Los Angeles. Robert Lang and Kevin Hatcher had power-play goals, and Jan Hrdina scored against Jamie Storr, the Kings' goalie. Garry Galley had the Kings' only goal.

**Flames 3, Sharks 3** Patrick Marleau scored on a rebound shot with one second left in regulation as host San Jose rallied to the Calgary. Owen Nolan scored two goals for San Jose, but they were offset by Theoren Fleury's two for Calgary.

# Discontent, No Boycott, Over Korda's Presence

By Christopher Clarey  
International Herald Tribune

MELBOURNE — Despite rumblings in the last two weeks, there will be no player boycott of the Australian Open over an appeals committee's decision to rescind Petr Korda's one-year ban for testing positive for the steroid nandrolone.

The men who traveled to Melbourne to compete in the year's first major tennis event will compete as planned when play begins Monday. But after a mandatory

### THE AUSTRALIAN OPEN

ATP Tour meeting here Saturday in which tennis's drug-testing procedures were outlined and debated, several of Korda's peers remained displeased that he will have the opportunity to defend his first and only Grand Slam singles title.

"In light of the circumstances, Petr is going to play," said Jim Courier, a Floridian and the former No. 1 player in the world. "Am I happy about it? No. I think it reflects poorly on us and our sport."

"A lot of the players are upset, said the American player Alex O'Brien, "because they want to know how this got in Korda's body, and he hasn't explained how. I feel if he can't explain why, he shouldn't be playing."

Korda, the 30-year-old Czech ranked 20th in the world, attended the meeting, an annual gathering that addressed a range of topics and was scheduled long before his positive test was announced in December. But Korda chose not to speak at the meeting, even after one player asked him to explain himself. When Korda left the conference room flanked by three security guards, he walked through a large gathering of reporters and television crews without commenting.

"I think most of the players in that room understand that this case is still in litigation," said Mark Miles, the chief executive officer of the ATP Tour, who interceded on Korda's behalf during the meeting and made it clear that the Czech was not required to speak.

"I think it would be a mistake for all of us to try a case while it is being tried in the courts," Miles added. "We think it's right to wait for the process to follow its course."

Todd Martin, the president of the ATP Tour player council, said, "It would be terribly unfair if Petr is not allowed to play and in the end he's innocent."

Korda's case is still in the courts because the International Tennis Federation has asked the Court of Arbitration for Sport in Lausanne, Switzerland, to overturn the ruling of an independent appeals committee, appointed by the international federation. That committee, composed of three Britons, ruled Dec. 22 that the one-year ban for players who test positive for Class B substances should not be applied be-

cause "exceptional circumstances" existed in Korda's case. Instead, it reduced the penalty to loss of ranking points and prize money at Wimbledon, the tournament where Korda tested positive. "We are convinced the appeals committee misapplied the rule," said a spokesman for the International Tennis Federation, Alan James.

Korda and his lawyers are now attempting to block the federation's appeal in the High Court in London, arguing that the federation has no grounds to appeal the decision of an appeals committee it appoints. If the High Court rules in Korda's favor, James said the case will stop there. If the High Court rules in the international federation's favor, the court of arbitration is required to render a decision by no later than May 8.

According to the ATP's chief operating officer, Larry Scott, when the Spanish player Ignacio Trujillo was suspended for one year for testing positive for a Class I performance-enhancing substance in January 1997, the appeals committee did not have the option of reducing penalties. But tennis changed its policy in March 1998 because, according to Miles, officials from the International Tennis Federation and Women's Tennis Association wanted to make the court of arbitration the ultimate arbiter to avoid multiyear legal battles.

Miles said the court of arbitration wants drug programs to be able "to consider circumstances." Hence the need to allow room for leniency in exceptional situations that Miles said could include sabotage of a player's drug sample or the administering of banned substances without the player's knowledge during an emergency medical procedure.

But the clause dealing with exceptional circumstances in the International Tennis Federation's bylaws is worded much more generally. It states that, in players need to establish "on the balance of probabilities" that exceptional circumstances exist. It also states that "exceptional circumstances shall mean circumstances where the player did not know that he had taken, or been administered, the relevant substance provided that he acted reasonably in all the relevant circumstances."

Korda has said he has no idea how he absorbed nandrolone.

"Perhaps we need to tighten up the wording," Brian Tobin, president of the International Tennis Federation said Sunday.

The committee wrote that it accepted Korda's "evidence that he did not knowingly take" or have administered to him a prohibited substance. It also ruled that he "acted reasonably" as well as "innocently in all the relevant circumstances."

"What needs to be changed now is the loophole," Courier said. "For me, the player is responsible for his body and what's in it."

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**WORLD ROUNDUP**

**Els Captures Title**

**GOLF** Ernie Els shot a final round 68 for a 15-under total of 273 Sunday to win the South African PGA Championship and break a 10-month winless streak.

Afterward, the South African stood at the back of the 18th green at Houghton Golf Club in Johannesburg with the Alfred Dunhill PGA trophy in one hand and a cellular phone in the other. President Nelson Mandela was on the line, and Els was speechless.

"I just listened," Els recounted of the call. "What do you say to a great man like that?"

Els, who also won the title in 1992 and 1993, had a 4-shot margin over Richard Kaptein in the \$653,000 tournament.

The two-time U.S. Open winner, who had held a 2-shot edge on the home-course professional, Kaptein, going into the final round, had birdies on Nos. 1, 3 and 5 and then added another at the par-5 16th to clinch the victory after Kaptein had missed his birdie putt on the 15th.

Kaptein, also of South Africa, held on for second, finishing 3 shots clear of Jeev Milkha Singh of India, David Frost of South Africa, Stephen Leaney of Australia and Steve Webster of England, who all shared third place. (AP)

**Nagano Courted the IOC**

**OLYMPICS** The committee that successfully bid for the 1998 Nagano Winter Olympics spent an average of nearly \$22,000 on each of 62 visiting International Olympic Committee members, according to a report by the nationwide Mainichi newspaper.

The report came in the wake of admissions last week by a senior official of the Nagano bid committee that accounting records dealing with the bid had been destroyed.

The newspaper said the Nagano bid committee spent an estimated average of \$21,905 per visiting IOC member as part of its "negotiation fees," citing committee documents and unnamed former officials.

Eight officials suspected of involvement with the Salt Lake City bribery scandal were among the dozens of IOC members treated to such perks as first-class airfare to Japan, all-expense-paid stays at hot-spring resorts and helicopter tours, the paper said. (AP)

Related article, Page 16

**Klinsmann Calls It Quits**

**SOCCER** The former captain of the German national team, Jurgen Klinsmann, 34, has decided not to resume his career in the United States and has retired.

"I toyed with the idea and I collected information about Major League Soccer, but I've decided to retire for good," Klinsmann told the German sports-ews agency SID on Sunday from his home in Los Angeles. (AP)

**Batistuta's Hat Trick Overwhelms Cagliari**

**Fiorentina Regains No. 1 Spot in League**

**The Associated Press**

ROME — Gabriel Batistuta's hat trick, with two of the goals in the final 12 minutes Sunday, rallied Fiorentina past Cagliari, 4-2, and put the team back on top of the Serie A standings.

The Argentine star scored the game's first goal after seven minutes and then tallied in the 78th and the final minutes to

**EUROPEAN SOCCER**

take his league-leading total to 17 goals in 17 games. Batistuta is now back on track to break the record of 33 in a 34-game season.

Cagliari had taken a 2-1 lead on Tiziano De Patre's header in the 58th, but Edmundo hit the equalizer in the 76th for Fiorentina, which improved its home record to a perfect 9-0-0.

Fiorentina is 11-2-4 overall for 35 points.

AC Milan moved up to third place, with 30 points, by beating visiting Perugia, 2-1, in a game with some odd twists. The start was delayed 10 minutes because someone slashed the tires on the Perugia team bus and the players had to take taxis to San Siro Stadium.

Milan went ahead 2-0 on headers three minutes apart by the Argentine striker Guly and the German forward Oliver Bierhoff. Perugia cut the deficit on Hidetoshi Nakata's late penalty kick, which was followed by a fight among players on the field. Milan's goalkeeper, Sebastiano Rossi, was ejected for hitting Perugia's striker Cristian Bucchi.

AS Roma is fifth after routing Vicenza, 3-0, to snap a four-game winless skid, while Internazionale of Milan slid to sixth, barely putting up a fight in a 2-0 loss at Bologna.

Juveventus of Turin, the two-time defending champion, may have hit the low

point of its disappointing season, playing to a 1-1 draw at Venezia, which is at the bottom of the standings. Juventus is 11 points behind Fiorentina and ranks ninth among the 18 teams in the league.

In other games Sunday, Gaetano De Rosa and Davide Olivares each hit their first career goals as Bari beat Sampdoria of Genoa, 3-1; Selimitea and Piacenza drew, 1-1; and Udinese and Empoli played to a 0-0 draw.

**ENGLAND** Martin Pringle, a substitute, scored three minutes into injury time Sunday to salvage a 2-2 draw for Charlton against visiting Newcastle.

The late goal, with Newcastle playing a man short, came just seconds after Mark Bright appeared to have scored the equalizer on a shot that looked on television replays as if it had crossed the line.

Temuri Ketsbaia gave Newcastle a 1-0 lead in the 13th minute. Ketsbaia got control of the ball at midfield, as Newcastle defenders broke up a mounting Charlton attack, and dribbled unopposed to fire in a blistering 27-meter (30-yard) strike that beat Charlton's goalkeeper, Simon Royce, to his right.

Nolberto Solano of Peru made it 2-0 in the 55th minute before Bright scored for Charlton in the 64th. Newcastle played the last 13 minutes with 10 players when Nikolaos Dabizas was ejected in the 77th on his second yellow card.

The draw left Rudi Gullit's Newcastle club in 14th place with 25 points, far off the pace of league-leading Chelsea (43), Manchester United (41), Aston Villa (40) and defending champion Arsenal (39). Charlton has only 17 points but ended its run of eight straight losses in the league.

**SPAIN** Fernando Morientes scored a pair of second-half goals Sunday to lead



Fabian O'Neil scoring for Cagliari on Sunday against Fiorentina.

Real Madrid to a 4-2 victory over Atletico de Madrid in Spanish first-division soccer.

The cross-town rivals squared off in Real's Santiago Bernabeu stadium a day after Celta ousted Mallorca from first place, also by a score of 4-2, in a showdown between the two surprise contenders of the season.

In the 18th week of the season, Real Madrid vaulted from sixth to third place with 31 points, and continues a dry spell of more than six years in which Atletico has failed to win at Santiago Bernabeu. FC Barcelona was playing in Seville later Sunday against Betis.

With Real Madrid up 3-1 late in the second half Atletico refused to give up,

scoring in the 85th minute on a goal by Fernando Correa. But six minutes later Morientes added his second goal of the day to clinch the victory.

Real Madrid got on the board first in the 21st minute as Pedja Mijatovic put away a ball that Atletico's goalkeeper, Jose Francisco Molina, stopped but failed to control after a shot by Davor Suker.

Atletico's Juninho answered in the first minute of the second half to make it 1-1 with a booming shot from 20 meters out. Morientes made it 2-1 with a header in the 76th minute after a centering pass by Christian Panucci.

Real's Ivan Campo scored in the 81st minute to increase Madrid's margin to 3-1.

**For Vikings or Falcons, a Rare Shot at Super Bowl**

**By Leonard Shapiro**  
*Washington Post Service*

**MINNEAPOLIS** — The Minnesota Vikings have not played host to a National Football Conference championship game since 1976, when Fran Tarkenton was scrambling his way into the Hall of Fame.

The Atlanta Falcons have never come this far since joining the league in 1966, with only seven winning seasons for a franchise better known for folly and frustration than the sweet satisfaction of a championship.

But two teams hardly considered Super Bowl contenders before the season began, on Sunday found themselves one victory away from advancing to Super Bowl XXXIII on Jan. 31 in Miami.

Left behind were Dallas, Green Bay and San Francisco, the dominant NFC teams of the '90s — at least one of them

played for the NFC title every year since 1992.

"This should be a great game as long as the public gets accustomed to the idea that Green Bay or Dallas or San Francisco is not playing," said the Minnesota head coach, Dennis Green. "These are two teams that weren't projected to be where we're at, but had the kind of record and consistency to be there."

"Those other teams are not what they once were," Green said.

The 16-1 Vikings, after a season that included a record-breaking 556 points and the emergence of the rookie receiver Randy Moss, were listed as an 11-point favorite over the 15-2 Falcons. It was the first title game matching teams that play their home games in domed stadiums.

Atlanta had a 10-game winning streak; the Vikings had won their past nine.

The Metrodome has been a huge advantage to Minnesota all season.

The Vikings won all eight of their regular season games in the building and beat the Cardinals there Jan. 10 to advance to the NFC championship. The hometown crowd and a sound system capable of wreaking havoc on the signals and collective psyches of their foes have benefited the Vikings all season.

**T**HE Falcons have grown accustomed to big-time noise in their own stadium, and had a streak of 16 straight victories in domes home and away — 11-0 at home and 5-0 on the road.

Last week, they practiced with the volume turned up, and they also asked the National Football League, which runs both championship games, to move the sideline speakers away from the Atlanta bench Sunday.

Dan Reeves, the Falcons' coach, ac-

claimed after the Arizona Cardinals told him about the problems they had hearing signals, snap counts and plays called from the bench in their NFC divisional title playoff Jan. 10 against the Vikings. Arizona had six penalties for false starts, two for a delay of game and one fumbled center snap, all attributed to the crowd noise.

On Thursday, NFL officials informed the Vikings that they were moving the speakers from the 25-yard lines to the 10-yard lines.

Still, the Falcons knew exactly what to expect.

"Our ability to handle that is going to be one of the real keys," Reeves said. "Our ability to focus and concentrate and not make the mental mistakes is going to be crucial. It's just as important as the X's and O's. We've got to deal with it."

"The more crucial the situation, the louder it will be," he said

**Latest Ski Star For Austria Takes Slalom, His 3d Victory**

**The Associated Press**

WENGEN, Switzerland — Austria's newest golden boy, Benjamin Raich, continued to glitter Sunday, winning a slalom for the third victory of his rookie season on the World Cup ski circuit.

Raich suddenly developed his winning ways after the New Year, winning a night slalom and defeating his illustrious teammate, the double Olympic champion Hermann Maier, on home snow the first week back from the Christmas holidays. Before then, Raich had just an eighth place from the opening giant slalom in Soelden, Austria, in October, show for his early-season efforts.

"You have to believe in the start; you can win," Raich said. "It's all a question of attitude. Pressure is only as big as you let it be."

Raich's victory virtually guaranteed him a berth on the Austrian team in one of the technical events at the world championships in Vail, Colorado, which begin Jan. 30.

Raich displayed the steely nerve of a veteran, recording the fastest two-run aggregate time of 1 minute, 40.44 seconds, 0.10 second quicker than Maier of Gruenigen of Switzerland.

In his first year on the World Cup circuit, Raich stunned fans and racers alike, defeating the reigning World Cup champion, Maier, in a giant slalom Jan. 10 in Flachau, Austria — where Maier, known as the "Hemmlinger," learned to ski — after winning a night slalom in Schladming, Austria, just three days before.

The winner of Saturday's downhill in Wengen, the 1996 overall World Cup champion, Lasse Kjus, placed third in the slalom, crossing in 1:41.94. The result gave the Norwegian the victory in the weekend's combined event.

**Norwegian Posts First Victory**

Trine Bakke of Norway woo her first World Cup victory Sunday, a slalom marked by several dropouts on the difficult Kandahar course in St. Anton, Austria. The Associated Press reported.

Bakke, whose previous best finishing was second place in last year's slalom in Saalbach, Austria, twisted, fell, way around the 46 gates down the steep and icy course in a two-run combined time of 1 minute, 22.84 seconds, beating Paernon of Sweden by 0.04 second.

The 17-year-old sensation Janica Kostelic of Croatia clocked the third-fastest time, 1:23.77.

Bakke, 24, was second in the first run, trailing Norway's Andrine Flemmen by 0.23 second. But Flemmen fell in the second run. "It was a very hard and steep course," Bakke said. "It is great to know how it feels to win a race."

On Saturday, Corinne Rey-Bellet of Switzerland made World Cup history in St. Anton, becoming the first skier to win two races on the same day. Within four hours, she won a women's downhill and a super-G race, her first World Cup victories ever.



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